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GENERAL

African leaders to miss summit

Although Southern Africa will be a major topic at next week's Commonwealth summit meeting...

Club fire panic 100

Panic caused the high death toll at the Berkeley Hills superclub in Southern California...

Buge continues

As the Moluccan train hijack went into its seventh day...

Carter blamed

Mr. Leonid Brezhnev, the Soviet party leader, said on French TV...

Sanjay inquiry

Mr. Sanjay Gandhi, son of the former Indian Prime Minister...

Airport protest

Students and farmers, fighting to stop the opening of a new international airport...

Coup bid trial

Leading members of the Italian secret service, including its former head...

Briefly...

West Germany: Twenty-five firemen were injured, some seriously...

BUSINESS

Grocery Index up 1.7% in May

F.T. GROCERY Prices index rose 1.7 per cent this month, making a rise of 7.6 per cent...

RISING PRICES is the main fear given by those expecting things to worsen in the future...

BRITAIN'S official exchange reserves, the figures for which are due to be published...

PREPARATIONS for the final stages of the "rich and poor" negotiations...

SIR JAMES GOLDSMITH's haul of forward proposals on behalf of his Cavendish Food Group...

NEDC will undertake a detailed inquiry into the real reasons for increased industrial investment...

GOVERNMENT refashioning package is important for smoothing the way towards another wage agreement...

APEX conference delegates voted overwhelmingly against total return to free collective bargaining...

JULY ECONOMIC package including tax cuts and a Government statement on its pay policy...

BRITISH RAIL and the three rail unions have reached agreement on extension of participation arrangements...

CO-OPERATIVE retail societies may be asked to vote on whether the central organising bodies...

UK NEWSPRINT average monthly output will soon have reached a record low...

BRITISH civil engineering groups have won contracts worth nearly £100m...

ROMANIA is investing \$55m in a U.S. coal mine to obtain high-grade coking coal...

NEARLY seven out of ten people dislike the Government's plan to give the sole right to appoint half the management...

NIPPON OIL achieved record earnings in the year-ended March due to foreign exchange gains...

NOTHERCARE has, with its expansion into the U.S., set itself an important international target...

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Parents of all children born on June 7 will receive a silver-plated Jubilee Cup...

Chrysler loses £8m. and falls behind planning targets

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

Chrysler U.K. has run into serious trouble in meeting the objectives set in its planning agreement signed with the Government...

Statistics released to its workers show home sales in the first quarter of the year 35 per cent...

Chrysler insisted last night that it was impossible to predict at this stage the final outcome for the year...

Under the terms of the rescue deal hammered out in December, 1975, the Government is committed...

Any losses will contrast starkly with the £300,000 profit forecast in the planning agreement...

The fact that Chrysler puts much of the blame for the poor first-quarter performance on low output...

Mr. George Lacy, Chrysler U.K. managing director, says in a report to employees...

Chrysler stressed last night that output, particularly at Linwood, was the key to recovery...

424 unveiled

Chrysler has unveiled its new small car, codenamed 424, in special presentations to dealers...

The three-door hatchback, with a range of engines from just over 900 cc up to 1600 cc...

More than 300 more workers will be taken on before the end of July to make a rise in the Linwood payroll...

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Hattersley drafts price safeguards for companies

BY EUNOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

DETAILS OF the proposed safeguards to protect companies from the worst effects of recommendations in such a way as to make the Commission will be given to industry leaders...

An interim safeguard which would entitle a company to a price increase during one of the Commission's three-month investigations...

Further relief would be allowed during an investigation if the enterprise as a whole was making less than 3 per cent...

A minimum net profit margin for distributors below which restrictions could not be imposed...

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Reforms must be based on legislation. Despite Britain being the cradle of accountancy...

The toughest attack yet on allegedly low auditing standards of accountants...

Mr. Davison told the conference of auditors in Brighton that the profession had dragged its feet on working out standards...

Self-regulation had failed. Legislation was urgent. A Securities and Exchange Commission to police the whole City was inevitable...

The auditing profession was being criticised "and too many of these criticisms are justified. We are not doing enough to protect the public."

On criticisms in recent Department of Trade inspectors' reports, he said that however rare examples of bad work may be, they were too many to be acceptable...

Parents of all children born on June 7 will receive a silver-plated Jubilee Cup from H. Samuel, the jewellers.

TUC call to curb banking profits

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

THE TUC is calling for a "tighter rein" on bank profits and for Bank of England limits on lending to property and financial companies.

These are two of the points in its written evidence to the committee to review the functioning of financial institutions...

Control of bank profits should be exercised through the Price Commission setting on bank charges as well as through the supplementary special deposit scheme...

The theme of the evidence is Britain's chance to reform its sagging industrial performance during the breathing space afforded by North Sea oil revenues.

Its target is to double manufacturing investment over the next ten years—a 7.5 per cent annual increase...

The evidence does not enter the controversy about nationalisation of the major banks and insurance companies...

The Prime Minister, who has said he is worried about lack of progress on the subject...

There have been suggestions that Mr. Denis Healey, Chancellor should be the chairman of this committee...

Dealing with the objection that different investment criteria would hurt the pension funds...

As for public lending, the TUC says that the National Enterprise Board should be disposing of £1bn...

The TUC also suggests abolishing one day the tax allowance incentives for industry and using a new investment reserve fund...

It asks the inquiry to look at ways of improving the export advice from banks to smaller companies...

But Mr. Hattersley will try to persuade industry that these safeguards are an additional reassurance to companies...

He will stress that both his own powers to order price freezes and those of the Commission are circumscribed under the Price Commission Bill...

Bullock portfolio for Mrs. Williams

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE Prime Minister has asked Mrs. Shirley Williams to exercise her authority as a senior member of the Cabinet to try to sort out disagreements between Government departments over Whitehall for possible legislation...

Proposals being canvassed in Whitehall for possible legislation include changing the Bullock "2X plus" formula...

While it is clear that the Bullock proposals will not be implemented in full, the Government is still committed to preparing legislation to give workers a right, primarily through trade unions, to seats on company Boards...

But this leaves a lot of room for dispute over matters such as the speed with which any legislation should be implemented and the role of the unions and non-unionists.

It seems likely that halfway house between a one-tier and two-tier Board will be proposed with the employee representatives sitting on a policy board alongside management...

This Board would determine a company's policies but would not have the day-to-day running of the business to a clearly defined management level...

While there is a fair measure of agreement on these matters, there are other differences. Mr. Dell is thought to want to build in some formal requirements for participation below Board level...

Like the Right-wing Manifesto Group, which published its ideas last week, he is more anxious than Mr. Booth not to exclude non-unionists.

There is some sympathy in Whitehall for a further set of proposals from the 1972 Industry Group of Labour industrialists...

She is expected by many industrialists and is known to have an open mind on the question of industrial democracy...

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Pacific markets in mind? It's NBNZ time. The National Bank of New Zealand. Whatever kind of business you are thinking of doing in the Pacific area you have to get used to a difference in time...

Handwritten signature or mark at the bottom of the page.

LOMBARD

Defensive pricing on Wall Street

BY ANTHONY HARRIS

THE BRITISH clearing banks are not the only ones finding that the corporate financial recovery is bad for their own profits. One of the big New York banks has also experienced a very low demand for loans. That explains the prolonged trough in U.S. base rates...

Illusion

This development has led to results both of which had to account for the present rise in interest rates. First, the banks themselves are of a separate order of earnings, and a rise in interest rates does not reduce their scope to improve margins. This is partly an illusion as it is not out in the current figures of Business Week...

Sophisticated

The recent rise in the U.S. monetary aggregates does rather underline this danger; it appears to have been caused by a rise in borrowing by the small-to-medium businesses outside New York which do not have the kind of commercial paper...

THE WEEK IN THE COURTS

Mouldy pig nuts

BY JUSTINIAN

WHEN ONE party to a contract suffers a loss by reason of the other's breach of contract, the law provides that, so far as money can do it, he should be placed in as good a position as if the contract had been properly performed. But in awarding the loser his damages for loss, the law says that not every loss that has flowed from the breach is recoverable...

The general rule has long been that a party is entitled to such damages as might naturally and usually arise from the breach of contract. But what does that nebulous phrase encompass? Ten years ago the House of Lords nibbled at a number of formulae, without approving any of them specifically...

After this inelegant judicial caper, commercial litigants could justifiably claim that the law, if it ever had guided litigants, did not tell them how they stood when they came to claim damages for their losses in contemporary litigation. But recently the Court of Appeal, by giving leave to appeal, has provided the House of Lords with a renewed opportunity to review the situation and to come up with an agreed formula that will perhaps at last bring some certainty to the law relating to the remoteness of damages...

had his way the defaulting party would be liable in the case of economic loss only for the consequences if they were such as at the time of the contract, he might reasonably have contemplated as a serious possibility of physical injury...

The assumption that the court had to proceed upon was that the parties would have contemplated, had they asked themselves at the time of the contract, not what was likely to happen to the pigs if the hopper was used for storing nuts...

Where it is a case of loss of market, or loss of profit the factual analysis would be different from cases of physical injury. But the same legal test was to be applied to both cases. If the parties thought that the chance of physical injury, loss of market, loss of profit or other loss was slight, that did not prevent the loser recovering damages, so long as the parties contemplated as a serious possibility the type of consequence, not necessarily the specific consequence that did arise on breach of contract...

SPORT A small sherry pleases

THE COMFORTABLE victory of 24-year-old former Madrid caddie Manuel Pinero by three strokes over Peter Oosterhuis in the Penfold PGA Championship at Royal St. George's, Sandwich, was as ruthlessly efficient as it was depressing to British eyes...

GOLF

BY BEN WRIGHT

round in the Memorial Tournament the following morning to secure third place. If only Watson had been able to get away that evening, if only the wind had not dropped on Sunday I was invited to join him on a private jet from Columbus, Ohio, to catch the direct flight from Chicago to London...

£25,000 for Rum Race victor

SPONSORSHIP and competitive yachting for years have had a long association. In the 1970s, a man with bare feet walking on broken glass. Last week the French, whose attitude to sport organising her own race. He approached promoters of business interests in Guadeloupe, St. Martin and St. Barts...

YACHTING

BY ALEC BEILBY

in Paris: "You can't eat trophies." It is equally certain that the prizes will attract some of the leading protagonists of single-handed offshore sailing even though £25,000 is small change in the man who is to stand a chance of winning a race open to untested, single-handed multi-hull yachts...

Hendrick justifies his rating

THE TOURISTS, who still appear to be below the standard of most Australian sides sent to this country, beat the MCC at Lords last week, without undue difficulty. This was hardly surprising, because the English eleven for what is usually regarded as something akin to a test trial did not contain a single player, who could be said to have established himself at international level, although there were several who, will, one hopes, do so in the near future...

Flaws in England side still evident

ALTHOUGH ENGLAND won their first game in the British championship, by beating Northern Ireland 2-1 at Windsor Park on Saturday, the deciding goal coming in the closing minutes, they had little cause for satisfaction apart from the result, writes Trevor Bailey. Those familiar weaknesses, the tendency to squander good chances, the absence of rhythm in mid-field and a noticeable unsureness in defence, were all too much in evidence...

SOCCER

CRICKET

BY TREVOR BAILEY

encouragement. He must surely have bowled himself into the squad for the three Prudential one-day internationals. More important from the point of view of regaining the ashes were the 50s from Randall which gave the lie to the suggestion that his brilliant centenary Test century was a once in a lifetime effort...

Taylor for Beckenham

WITH THE championships of like wading through quicksand Germany and Italy decided, and against a pair of legs with the third and greatest of the rackets. While the new-look British European clay court meetings at Paris, Davis Cup team practices on hard courts before departure next week for Bucharest, Roger Taylor, his distinguished opponent...

TENNIS

BY JOHN BARNETT

Deciduous likely at Lingfield

UNLESS the weather has changed radically overnight, there will be few more pleasant places in which to spend this afternoon at Lingfield. What is more, the course has an enviable record of winning favourites, and it looks as though...

RACING

BY DOMINIC WIGAN

backers will kick off with one in the shape of Deciduous in the Research Selling Stakes. An hour later, Assurance ought not to be greatly troubled to land the Queen Victoria Hospital Handicap. Strange Love has nearly a hand to best in the Manor Handicap and Mount Pelic has the edge over Gerrard's Cross in the East Grinstead Stakes. The Far Schott (VHF) might, at 12.50 and 2.00-3.00 p.m.

BBC 1. 6.40-7.55 am. Open University (UHF) only. 9.25 The Monday Film: 'Carnegie for Cordoba'.

F.T. CROSSWORD PUZZLE No. 3,393. 1 Worn on Sundays, and often turns up trumps (4, 5). 2 Minister may get the bird in New Zealand (6).

ACROSS. 1 Worn on Sundays, and often turns up trumps (4, 5). 2 Minister may get the bird in New Zealand (6). 3 Not imported, but gets crazy in Plymouth headland (4,1).

Middlesex Today (Birmingham). 6.40-7.55 am. Open University. 11.05 Tonight. 11.45 Weather Regional News.

LONDON. 9.20 am. For Schools. 10.52 Popeye. 11.05 For Schools continued. 12.00 Jamie and the Magic Torch.

RADIO 1. 247m (5) Stereophonic broadcast. 6.00 am. Radio 1. 7.02 am. 8.00 am. Radio 1. 9.00 am. Radio 1.

ATV. 12.30 am. Kiveton Garden. 1.20 am. 1.30 am. Kiveton Garden. 2.10 am. 2.20 am. Kiveton Garden.

GRANADIA. 12.30 am. The Granada World of Keston. 1.20 am. The Granada World of Keston. 2.10 am. The Granada World of Keston.

RADIO 4. 154m, 390m, 285m and VHF. 6.15 am. News. 6.45 am. News. 7.00 am. News.

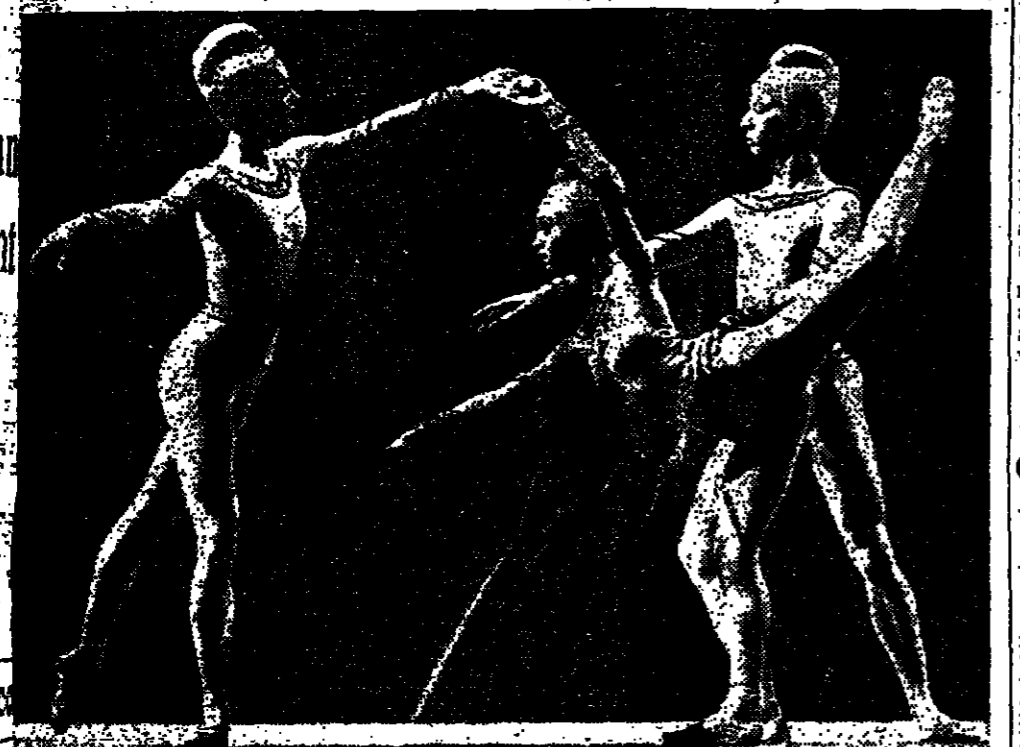
Joy in 1:50

ajauato Festival

Some political plums

by MICHAEL COVENEY

For the presidency of Lopez... The company from Sombor... The characters come shuffling... The parents of the prospective bride... The fat broker to a tall, stringy friend who... The fat broker to a tall, stringy friend who... The fat broker to a tall, stringy friend who...



Deirdre Eyden, Fiona Chadwick and Mark Welford in 'Monotone'

ent Garden

The Royal Ballet School

by CLEMENT CRISP

and Farewell" was very in the air at the Royal... The Royal Ballet School... The evening began with the... The evening, and it was under... The evening, and it was under... The evening, and it was under...

The Entertainment Guide is on Page 6

Pye Colour Television Awards

Kermit the Frog, from ATV's... The "Best new television... The "Best new television... The "Best new television... The "Best new television...

Our International... Through Service 800... Frankfurt, d and Barcelona.

Lyttelton

State of Revolution

by B. A. YOUNG

Robert Bolt introduces us to the events of the Russian revolution... The rivalry of Stalin and Trotsky is dwelt on throughout... The rivalry of Stalin and Trotsky is dwelt on throughout... The rivalry of Stalin and Trotsky is dwelt on throughout...



Dolly Parton

Rainbow

Dolly Parton

by ANTONY THORNCROFT

Barbican Arts Centre

Shell-LSO finalists

by ARTHUR JACOBS

Not even Mozart might have... The first competition for the... The first competition for the... The first competition for the... The first competition for the...

Old Hall, Lincoln's Inn

Pro Corda

Pro Corda is an association... Perhaps the most encouraging... Perhaps the most encouraging... Perhaps the most encouraging... Perhaps the most encouraging...

It's your business to know your growth objectives. It's our business to help you achieve them. With US\$14 billion in assets, Nippon Fudosan Bank is one of Japan's leading long-term credit banks. NFB Nippon Fudosan Bank

OVERSEAS NEWS

'Scores' of officials died in Angola coup bid

BY A SPECIAL CORRESPONDENT, RECENTLY IN LUANDA

YEARS MOUNTED in the declared. Officials from the ruling MPLA (Popular Movement for the Liberation of Angola) said the death toll would run much higher. Scores of people were believed to have been killed by the rebels, believed to be supporters of Sr. Mita Alves, former Interior Minister and Central Committee member who had long been locked in dispute with President Neto over the Angolan leader's insistence on a multi-racial government to guide his country along a path of non-aligned Marxism. Sr. Alves, an uncompromising figure regarded as having closer

links in the Kremlin and the Portuguese Communist Party than many other Central Committee members, had insisted that whites be denied Angolan citizenship and the government be purged of Mulattos.

Sources in the Angolan capital, contacted by telephone, said the city was calm, workers had gone back to their jobs and a wide manhunt was going on for the dissidents, believed to be in or near Luanda. Their coup attempt was believed to have been planned last year. There is little doubt that once rounded up, they will face a quick death. "We will not

lose too much time with trials," President Neto said. To judge from the as yet sketchy accounts, the uprising will have major repercussions.

One is that if the reports of mass killings among senior officials are true, Angola's attempts to rebuild itself could be severely retarded, resulting in continuing dependence on Soviet, East European and Cuban help beyond the time President Neto had originally envisaged. The MPLA government is drastically short of effective people capable of running a country stripped of expertise by the departing

Portuguese and facing severe infrastructural economic problems as well as the social difficulties in politicising a people long used to autocratic colonial rule.

Sr. Alves' links to Moscow seem likely to bring a new appraisal, internationally and domestically, of the delicate diplomatic triangle between Moscow, Havana and Luanda. The security force communique announced. A follow-up operation in Mozambique was still continuing, it said. The communique said the guerrilla camp was about three miles inside Mozambique, south-west of the Rhodesian border police post of Vila Salazar. This is close to the junction of the borders between Rhodesia, Mozambique and South Africa. The past week, it said, had seen a considerable increase in the number of insurgents crossing the Mozambique-Rhodesia border in both directions in this area. Meanwhile, the Anglo-American team seeking a basis for a Rhodesia settlement to-day flew to Maputo, Mozambique, after three days of talks here with Government officials and various opinion groups. Mr. John Graham from the British Foreign Office said they hoped to have talks in Maputo with Mr. Robert Mugabe, co-leader of the black nationalist Patriotic Front. From Maputo they will fly to Lusaka, probably to-morrow, for talks with the other leader of the patriotic front, Mr. Joshua Nkomo. Mr. Graham said progress had been made in his talks here "but it is a long road and we are just beginning." Reuter

Rhodesians kill 20 in raid over frontier

SALISBURY, May 29

RHODESIAN troops today raided a guerrilla camp inside neighbouring Mozambique and killed at least 20 guerrillas. The security force communique announced. A follow-up operation in Mozambique was still continuing, it said. The communique said the guerrilla camp was about three miles inside Mozambique, south-west of the Rhodesian border police post of Vila Salazar. This is close to the junction of the borders between Rhodesia, Mozambique and South Africa. The past week, it said, had seen a considerable increase in the number of insurgents crossing the Mozambique-Rhodesia border in both directions in this area. Meanwhile, the Anglo-American team seeking a basis for a Rhodesia settlement to-day flew to Maputo, Mozambique, after three days of talks here with Government officials and various opinion groups. Mr. John Graham from the British Foreign Office said they hoped to have talks in Maputo with Mr. Robert Mugabe, co-leader of the black nationalist Patriotic Front. From Maputo they will fly to Lusaka, probably to-morrow, for talks with the other leader of the patriotic front, Mr. Joshua Nkomo. Mr. Graham said progress had been made in his talks here "but it is a long road and we are just beginning." Reuter

Katzir talks with party heads to open

BY L. DANIEL

TEL. AVIV, May 29

PRESIDENT Ephraim Katzir of Israel to-morrow starts consultations with the leaders of the various parties in the newly-elected Knesset and is likely shortly thereafter to ask Mr. Menahem Begin to try to form a new government. Mr. Begin left hospital to-day, having been declared completely fit by his doctors.

President Anwar Sadat of Egypt announced to-day that he will demand billions of dollars in compensation from Israel as part of a Middle East settlement, and said he "did not want to harass anyone" when asked about the possibility of clamping an Arab oil embargo against the West. UPI reports from Cairo, Mr. Sadat also said a meeting between the Egyptian and Soviet Foreign Ministers, Mr. Ismail Fabri and Mr. Andrei Gromyko, to improve relations between the two countries, which is scheduled for June 8-10, may be cancelled.

He immediately summoned his Knesset faction in the Likud to a meeting at his home to discuss the situation created by the opposition of the Likud faction to the Likud to the proposed appointment of former Defence Minister Mr. Moshe Dayan as Foreign Minister. The full Likud bloc is to meet in the late afternoon, with a view to finding a formula that will end the internal deadlock and lead to a resumption of talks with the Democratic Movement for Change, which were broken off following Mr. Begin's unilateral decision to get Mr. Dayan

to abandon his previous Likud allegiance. The face-saving formula may take the form of declaring that no formal announcement of withdrawal will be made until Mr. Begin will be made until the negotiations for the formation of the coalition have been completed. Thus, Mr. Begin's satisfaction of the Likud factor will be re-opened the door for the DMC.

As of now, the DMC is keeping all options open, its new Professor Yigal Yadin, who also had talks with Labour's outgoing Defence Minister, M. Shimon Peres. David Bell's aide in Washington, Mr. Simcha Dini, the Israeli ambassador in the U.S., spent an hour yesterday with Mr. Chris Vance, the Secretary of State, during which he protested to the State Department about some of President Carter's remarks during his press conference on Thursday.

His visit, another sign of the Israeli ambivalence about the Carter Administration's Middle East policy, was delivered on behalf of the young Labour Government. It clearly also had the support of the Likud Party. The Ambassador told Vance that Israel did not accept Mr. Carter's implied, United Nations resolutions and 338 give the Palestinians right to a homeland or as President put it "to be a people for losses they have suffered."

He said that resolution did call on Israel to withdraw from occupied territory but deliberately non-committal at the extent of such a withdrawal.

Neto still waiting for 'Cobra 77' to strike

BY OUR SPECIAL CORRESPONDENT

THE COUP attempt was the first known assault of its kind on President Neto's leadership. How effectively he deals with it seems likely to be a pointer towards his ability to bring his party and the country under tight enough control to withstand the continuing opposition, of unknown strength and efficacy, of Unita and the FNLA—crushed by the Cabinda-backed MPLA in conventional warfare, but now waging guerrilla warfare with the covert backing of Zaire and South Africa, and the tacit support of powers backing these two African states. Certainly, President Mobutu Sese Seko's triumphal return to Kinshasa from Shaba province, where he accused the MPLA of backing a 10-week insurrection by ex-Katanga ex-gendarmes, will raise suspicions in Luanda that the Zairean leader will now turn his attention to vengeance for the Shaba rebellion.

As long ago as last February, President Neto called in diplomats in his run-down capital to brief them on "Operation Cobra 77"—allegedly an imperialist conspiracy to invade his country from Zaire.

According to documents released by the MPLA leader, European and American mercenaries would have backed Unita, the FNLA and FLEC—the Cabinda Liberation

Front—to invade firstly the Cabinda enclave—source of much of Angola's foreign exchange because of offshore oil operations by Cabinda Gulf—and then to thrust south to the rest of Angola.

At the time, President Neto named 15 bases allegedly provided by Zaire for anti-government forces and said the invasion would have involved air, ground and naval attacks. A Colonel Pierre Matoso would have led the attack on Cabinda. The nationality of the colonel was not given, but he was said to have been trained at Saint Cyr and Fort Brax. An American Colonel, Mike Brown, would have led a section of 30 mercenaries, while

a European, Colonel William Thompson, would have commanded a helicopter division of 1,200 men, according to these documents. They also named a Colonel Johnson, identified as a commander of the U.S. Green Berets in Bolivia 1966-67.

The invasion was said by Pres. Neto to be planned for September and October. Whatever the facts behind the disclosure, it serves as a further indication of a continuing danger of serious trouble between Zaire, seeking Western help to rebuild its economy and overcome a \$3bn foreign debt, and Angola, now possibly facing extended reliance on East European and

other Communist help following the coup attempt.

Quentin Peel writes from Johannesburg: A spokesman for the South African defence force to-day described as "nonsense" reports that members of Unita were being trained in camps in Namibia (South-West Africa), or were being supplied with arms and ammunition from South Africa.

While some observers in Windhoek, Namibian capital, still believe that anything from 5,000 to 8,000 Unita guerrillas are in the country with the tacit acceptance if not active involvement of South Africa's Armed Forces, being trained and re-equipped, there is no reliable confirmation.

Yes. Let's go into business together.

DURING the bad times, your training programmes have suffered. You've been finding—like most employers—that you simply can't afford your usual investment in raw, untrained talent. Yet you know that without a continuing development of essential skills, your business can't survive in the long term. Now the economy seems to be turning the corner, perhaps it's time to take stock. We don't ask you to do it unaided. There are generous grants, and a whole range of national schemes, open to almost all employers willing to bring young people into their business. Some of these schemes are new. Some have been around for some time. All have full CBI and TUG backing. We say you could use any or all of them to your company's advantage. Find out if we're right.



The Work Experience Programme

Helps build tomorrow's workforce today. Some 670,000 school-leavers this year will be seeking work. The majority will be successful. Many will be disappointed. These youngsters need to feel useful and be useful. You can help; and with your help we can turn a problem into an opportunity.

We ask you to take on young people and give them Work Experience; help build their confidence, sort out their aptitudes, give them the chance to prove their ability and keenness, learn work discipline, and gain vital experience.

We'll help you write a programme. You can select your own candidates (some firms have given first choice to employee's children). You pay them an allowance of £16 a week. We reimburse you in full with a minimum of fuss and paperwork.

Enlightened self-interest. This programme works both ways. Big companies such as Chrysler, NatWest, and ICI have found that what started as an exercise in social responsibility has brought positive personnel benefits: in some cases an important preview of training talent, closer labour relationships, a reassessment of the potential of apparently underqualified young people.

These companies' experiences have been shared by hundreds of small businesses across the country; could you benefit too? Details available from your local Work Experience Office.

Grants and Awards for Employers

To maintain and, where practical, expand apprenticeship and other trainee schemes for young people, the Training Services Agency has funds available through your Industrial Training Board to help with the cost of first year training for extra recruits.

Grants are also available for employers providing experience for college-based sandwich course students.

Details vary from industry to industry. For specific information contact your ITB; or if your industry does not have one phone John McKelvey (01-836 1213).

Government Subsidies

Three on-going subsidies run by the Department of Employment can help keep your staff and assist with recruitment and thus keep your business viable.

Youth Employment Subsidy Offers £10 a week, for 26 weeks, for those you take on, who have been registered as continuously unemployed for six months and were under 20 at 1st Oct. 1976. (Scheme closes 31st Aug. 1977)

Temporary Employment Subsidy Faced with making workers redundant, this subsidy gives you time to re-equip and redeploy. It can pay £20 per head per week for up to a year, and £10 a week for up to a further six months, to help you avoid redundancies.

Job Release Scheme Older workers in assisted areas can opt to stop work up to a year early, and get £23 a week tax free. You take on a younger worker, perhaps with a more relevant skill. (Scheme closes 30th June 1977)

You can get details of all these subsidies from the Department of Employment.

Short-course Training

The Training Services Agency runs Short Industrial Courses usually lasting three months, to train 16-18-year-olds to operator or junior clerk level in many occupations.

These courses are run in Skillcentres, Colleges of Further Education and Employers' establishments.

If you can offer suitable training facilities the TSA would like to hear from you. You will be recompensed, and the young people you train will receive a weekly allowance.

If you recruit young people from these courses you are selecting youngsters who are already motivated to work and have received basic training in a particular occupation.

Contact your local district office of the TSA.

Job Creation Programme

You can plan, organise, and manage a scheme lasting up to 12 months which will provide short-term employment for people who would otherwise be unemployed, and which will be of benefit to the local community.

Job Creation Programme pays approved wage costs, plus up to 10% towards the running costs of projects (in certain circumstances). Contact your local Job Creation Office.

Let's help each other

There are many ways we can help you build up your workforce. You can help us. First, by making sure that your personnel people know about these schemes. Second, by using them yourself. Third, by notifying us of any vacancies you may have for young people.

In particular we feel the Work Experience Programme is breaking new ground, and showing proven mutual benefits to employers and young people. It's a bold answer to a big problem: the higher the unemployment in your locality the more we need your help.

Talk to us. You'll get direct action from any of the offices listed above with the facts you need, and a presentation if you'd like one. Or if you'd like more details first, your local Jobcentre, Employment Office or Careers Office has full information on all these schemes.

Sanjay arrest imminent

BY K. K. SHARMA

NEW DELHI, May 2

THE ARREST of Mr. Sanjay Gandhi, controversial son of the former Indian Prime Minister, on criminal charges is imminent. He himself expects to be arrested, and to avoid spending any time in police custody, has asked the Delhi High Court for anticipatory bail. The hearing on his application has been fixed for to-morrow.

Sanjay has already been interrogated by a special cell, set up by the Central Bureau of

Investigation to look into criminal charges against him. Meanwhile, the Government has decided to begin a judicial inquiry into various aspects of the three Maruti cars, established by Sanjay. Its term reference are so wide that it will go into all aspects of all of power and position that alleged to have been made grant special favours to Maruti concerns. These could implicate Mrs. Gandhi, but in addition to many members of her Cabinet at the time.

Portugal loan opposed

TWO OUT of five U.S. congressional committees have refused to approve a \$800m. loan to Portugal. Diana Smith writes from Lisbon: This follows the collapse of a proposed IMF consortium loan of \$1.5bn. In which President Carter had hoped Common Market and EFTA countries, as well as Canada, Japan and Venezuela might participate.

The idea of the loan had been principally to help cope with Portugal's mammoth payments deficit, now running at over \$800m. a year.

Hints have been dropped recently in international financial circles that Portugal's foreign creditors are not prepared to lend money indefinitely without evidence that the Portuguese will make rapid, drastic efforts to right their economy.

Harrier accidents

The U.S. Marine Corps is in the middle of a full-scale review of its pilot selection and training procedures following a number of accidents involving the Harrier jump jet in the past few months.

Mr. David Bell writes from Washington.

A Marine Corps spokesman confirmed that about one in five of the 110 Hawker Siddeley aircraft have been told to leave.

have been involved in accidents since the first of them bought by the Defence Department in 1971. The Washington Post has reported to-day that three Maruti cars, established by Sanjay. Its term reference are so wide that it will go into all aspects of all of power and position that alleged to have been made grant special favours to Maruti concerns. These could implicate Mrs. Gandhi, but in addition to many members of her Cabinet at the time.

Ethiopia embassies

Ethiopia over the week-end Washington to close its attaché's office in Addis, and to reduce its embassy by half, and the marine guard by two-thirds; by Saturday, UPI writes from N

At the same time, the 11 staff of the British Embassy military attaché's office have asked to leave the country. The Egyptian military attaché, the Azeri consul in Italy, and Sudan and honorary consulates of B and France, were also ordered to close, and the last three Western correspondents the 110 Hawker Siddeley aircraft have been told to leave.

Right-Wing extremists trial to open in Rome

BY PAUL BETTS

ROME, May

THE ALLEGED involvement of leading members of the Italian secret service—the so-called SID—in a series of concerted right-wing conspiracies including an abortive coup d'état in December 1970 will be among the principal issues at a controversial trial which opens here to-morrow.

The trial involves 78 alleged Fascist extremists who are charged with conspiring against the State between 1970 and 1974. These were the years of the so-called "Strategy of Tension" whose aim was supposedly to disrupt the democratic structure of the country at a time when left-wing forces were gaining power. Of the 78, however, 27 are reported "to be missing."

The defendants include three generals, four leading army officers, and the former head of SID, Sig. Vito Miceli. Sig. Miceli, who is charged with favouring the alleged conspirators, is currently a deputy of the neo-Fascist MSI party.

The charges include a whole series of political conspiracies with objects ranging from the abduction of the head of state and other leading political figures to armed insurrection.

This latter charge refers to the abortive coup on December 7, 1974, allegedly masterminded by Prince Valerio Borghese—the so-called "Black Prince" who died three years ago in self-imposed exile. On that night, according to a reconstruction by the prosecuting magistrates, leading right-wing elements had allegedly planned to overthrow the Government.

But the operation, known as "Tora Tora" was called off at the last moment. No explanation has so far been given why.

The "Borghese trial" is the same time as the trial in Catanzaro relating to it Milan bomb outrage, in which people were killed. The trial, which is alleged to involve right-wing extremists, has also numerous questions over possible involvement of members in the "S of Tension."

Sig. Giulio Andreotti prime Minister has indicated that he is willing to test Casarini. Sig. Andreotti merely held the defence interior portfolios since during the years of the "S of Tension."

The Prime Minister is expected this week to appoint a parliamentary commission to investigate the reform of the Italian secret service. The head of SID, Admiral Casarini, is understood to have told the Commission that Italy's secret service was "not adequately equipped" to control the ties of "foreign secret branches attempting to mine our democratic institutions."

Earlier this month the Chief of both the Christian Democrat and the powerful Communist acknowledged the possibility of bringing accusations were behind the current state of bringing down law and order and re-activate a "Strategy of Tension" in Italy. In an interview this week the Interior Minister, Sig. Francesco Cossiga, said that he could not discount possibility.

The Italian trial is expected to be a landmark in the history of the country's secret service. It is expected to be a landmark in the history of the country's secret service.

Opportunities for young people.

MSC Manpower Services Commission. Selfkirk House, 166 High Holborn, London WC1V 6PE.

WORLD TRADE NEWS

Romania-U.S. coal deal could be worth \$2bn.

BY JOHN WYLES

IDENTICAL PETROLEUM, U.S. energy and chemical conglomerate with substantial sea oil interests, has elaborated a major agreement to coal to Romania which it says could be worth \$2bn.

NEW YORK, May 28.

Coal is currently selling its high-grade metallurgical coal for \$63 a tonne.

\$A500m. Australian 'phone deal

By James Forth

SYDNEY, May 29.

A DECISION is expected any day on a \$A500m. contract for sophisticated telephone switching equipment to replace Australia's existing system.

AFRICAN TEXTILES

A problem of European prejudices

BY MARTIN DICKSON RECENTLY IN ABIDJAN

BLACK AFRICA'S fledgling textiles industry is hoping to make significant inroads into the Western market for cotton-based fabrics and ready-to-wear garments—but it may have to reduce its prices if it is going to compete successfully in the long term against producers in Latin America and the Far East.

This was the central message to emerge from the Second African International Textiles and Clothing Show, held in the Ivory Coast capital of Abidjan at the start of this month.

The show was organised by the Ivory Coast Government with financial backing from the EEC and brought together 62 exhibitors from Mauritius and nine other African countries, mostly French-speaking and all from many African countries, wanting to diversify their agricultural base, have moved into cotton production.

But although the African textile industry's energies are still mainly devoted to import substitution, meeting the needs of the domestic market, companies (and notably those in the Ivory Coast) are placing greater emphasis on export orientated fabrics and garments that will bring

in much needed foreign exchange. While many of the clothes shown at the Abidjan fair—such as jeans, tee shirts, print dresses and safari suits—would find a ready local market, comparatively few Africans would want to buy or be able to afford many of the country's finished garments.

Export hopes are pinned on Western markets but there is still considerable consumer resistance to be overcome, especially on quality grounds.

of the garments on display, such as evening dresses, harem suits and beachwear.

Underpinning the growth of the African textiles industry is the expansion in indigenous supplies of the main raw material needed—cotton. Since independence in the early 1960s, many African countries, wanting to diversify their agricultural base, have moved into cotton production.

It is only natural that the producer countries, which include some of the poorest and least developed nations in the world, will want to add value to this raw material and boost employment by taking considerable market resistance in the West to African textiles, production, manufacturing grey

cloth, printed fabrics and finished garments. And in trying to break into the Western market they have two distinct advantages. Firstly, labour costs are comparatively low—some 30 per cent. lower than Europe in the Ivory Coast, to buy or be able to afford many according to the country's

Secondly, under the Lone Convention of 1975, the sub-Saharan states have unlimited and duty free access to the EEC countries for their industrial products—avoiding the quota controls imposed on Far East textiles manufacturers under the Multi-Fibre Arrangement.

But an African export drive is not without considerable difficulties. A factor underlined at the opening of the Abidjan fair by M. Mohamed Diawara, the Ivory Coast's Minister of Planning, the industry, he said, had to ensure that its prices were competitive, that its delivery dates were honoured and that it could meet European production standards in terms of fast colours and lack of shrinkage.

He frankly acknowledged that on quality grounds there was considerable market resistance in the West to African textiles, production, manufacturing grey Prejudiced European shoppers, as much as possible.

he said, would often examine the label on a garment and say: "This is an African product—its colours will fade and it will not clean well—I had better buy something made elsewhere."

In fact, European buyers at the Abidjan fair were generally impressed by the quality of textiles and garments on display, although there was inevitably some variation. The grey cloth, in particular, was said to be of a very high standard. What criticism there was centred on the price of the goods and the styles of the ready-to-wear clothes.

Both fabrics and made-up garments on display were generally more expensive for European buyers than similar quality goods from Latin America and the Far East. West German buyers, for example, said the African grey cloth was some 10 per cent. more expensive. This price discrepancy could be partially due to lower productivity but there is a general feeling that the Africans are charging more because they can get more, both on the protected domestic market and to some extent abroad.

Certainly, the comparatively high prices did not prevent the exhibitors doing a considerable amount of business, particularly with French, West German and Belgian buyers who pointed out that the quotas on Far East products made it prudent in the West to African textiles, diversify their sources of supply as much as possible.

MAN, Vickers and BL go for \$100m. Canadian bus orders

BY ROBERT GIBBENS

MONTREAL, May 29.

CANADIAN VICKERS, the Canadian arm of the U.K. based MAN group, in conjunction with Vickers, is competing for a \$100m. Canadian bus order.

Special grants made to municipalities by the Provincial Government if they buy vehicles made in the province. It amounts to about 15 per cent of cost.

There are three main groups bidding and in each case there would be assembly in Quebec in existing plants with little adaptation. Vickers would build buses to MAN designs in its Montreal East works, which has spare capacity.

Bombardier-MLW, the Montreal-based snowmobile and transportation equipment group, is also bidding and would assemble buses to designs of AM-General—bus and truck unit of American Motors of the U.S. Assembly would be at its plants at Valcourt, 60 miles east of Montreal.

General Motors Diesel Canada is also a strong bidder—it builds most of Canada's buses. It already has an assembly operation in Montreal with capacity of more than 300 buses yearly or hideers have to assemble on Vickers-MAN or Bombardier-AM General win all or part of

the order, they would enter the whole Canadian bus market, which is again expanding after a slowdown. This would mean stronger competition for GM, Fiat and Saviem of France are also said to be interested in bidding.

Keen competition likely at Paris air show

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PARIS International Air Show, which opens this Thursday (June 12) at Le Bourget, is likely to be significant for the discussion taking place behind the scenes than for the number of aircraft types on display.

The latter will be comparatively few. Although more than 100 manufacturers world-wide are exhibiting, with several types of aircraft on the ground and in the most of them have either demonstrated before (for example, at the Farnborough air show last September) or are derivatives of existing types.

One of the few new types expected to appear is the Soviet Tu-144 supersonic jet, which is expected to be shown in flight. The reason for the strong turnout by the world's manufacturers, however, is their intensifying search for new civil programmes to the future, with their sights set on winning a share of the market for airliners expected to be worth around \$32bn. by 1985.

growth in world civil air traffic, creating a market for many new types of aircraft, at a time when the first generation of jets is ageing and will soon require replacement with quieter, more fuel-efficient aircraft.

Since last year's Farnborough show, there have been extensive discussions between the manufacturers on both sides of the Atlantic, aimed at seeking some new groupings of companies to build the new designs for the future.

But despite nine months of discussions, there are still no formal arrangements settled, and so the talks are likely to continue with unabated vigour at Le Bourget, and may continue well into the coming summer.

What is also clear from the flood of preliminary brochures is that the manufacturers will continue to be pushing their products hard, in the hope of finding markets.

The U.K. does not intend to be left out of this struggle, and one of the major themes of the newly-nationalised British Aerospace will be the proposed X-Eleven short-to-medium range jetliner, powered by two Franco-American CFM-56 engines.

U.K. business at Canton

BY COLINA MacDOUGALL

BRITISH TRADERS returning to the twice-yearly Chinese Commodities Fair at Canton were relatively satisfied with the amount of business done. As no one had expected a difficult and economic downturn in China over the last year, shortages of supply on the

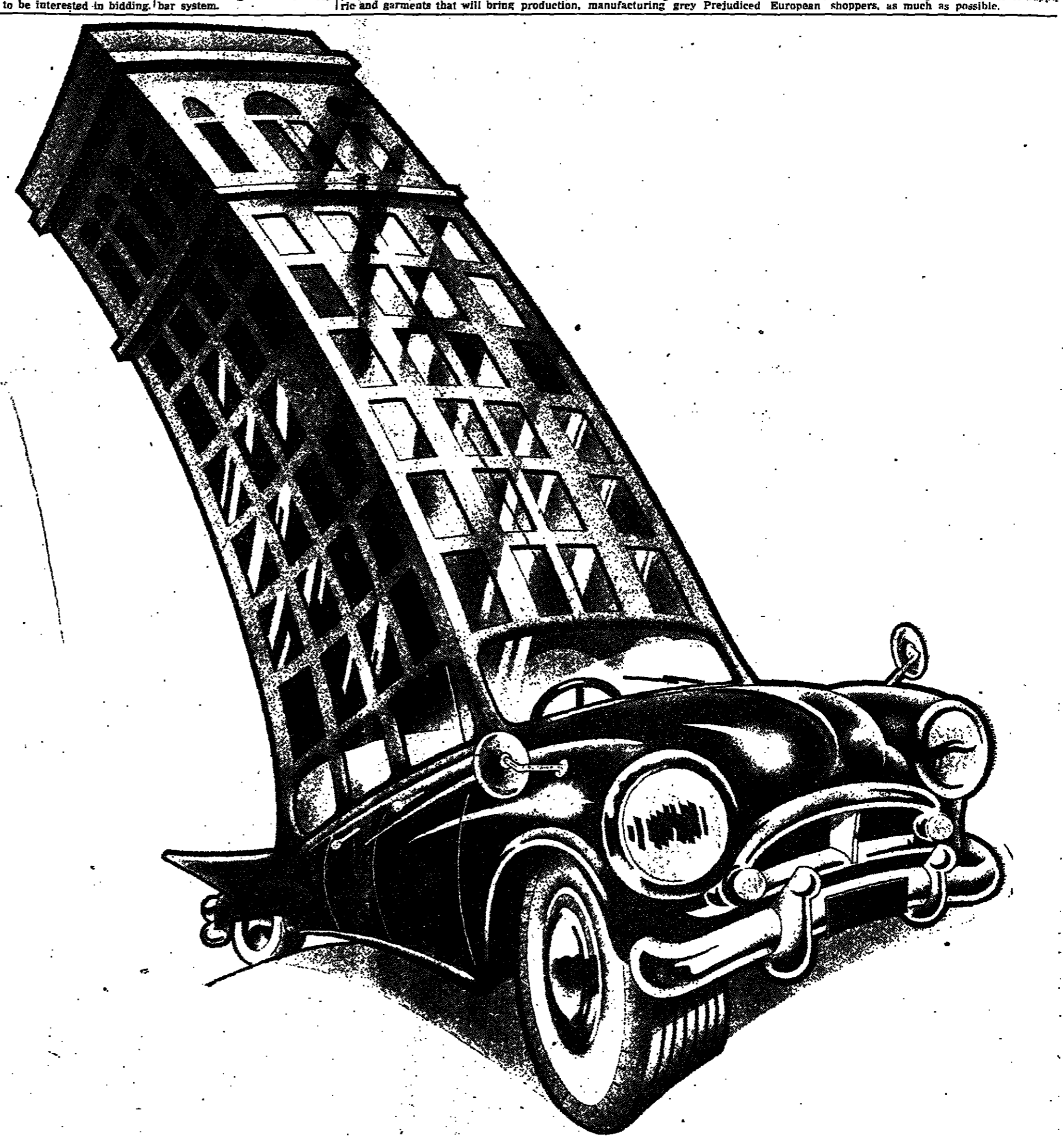
side came as no surprise. British buyers were able to get together quite satisfactory deals through these were made individually small deals. Buyers in particular had the successful fair ever.

There was also some selling done, though no spectacular contracts were agreed. However, sales of chemicals and pharmaceuticals went well. Some inquiries were made by the Chinese for machinery and instruments, though they are not expected to resume buying equipment till the end of this year.

The impression is at present that they are finalising a 10-year plan which was supposed to start in January last year but was disrupted by the political campaigns against "capitalist roaders." This may be completed by October 1, but if not, then by January 1 next year.

World Economic Indicators

Table with columns for Trade Statistics (Exports, Imports, Balance) for various countries (G.M.B., F.R.G., U.K., etc.) across different months (Apr. 77, Mar. 77, Feb. 77, Apr. 76).



Before you invest in a building, you like to know what it costs to run.

When you plan a new building, you plan an economic proposition. To be sold, rented, or run by you. That's why you must plan your energy use first. It's called Energy Management. Crucial, given energy costs today. Because every building designed to its principles is built to last-planned as it is from the viewpoint of working efficiency, comfort for the people in it, and long-term economical energy usage.

PLANELECTRIC The Electricity Council, England and Wales.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ELECTRONICS

Texas bid for markets

POLLUTION

Cleans fume from air

TWO EXTRACTION units which recycle fume-laden air instead of expelling it, and thus wasting heat, are being marketed by AGA Welding, Horton Close, West Drayton, Middlesex.

particularly efficient at removing the most hazardous very fine fume particles. These filters are easily and quickly cleaned, and do not interfere with the flow rate of the extractor.

TRANSPORT

Gauges tow tension

WITH an eye on the increased amount of towing at sea due to offshore exploration, Transducers (C.E.L.) is offering the Data Line tensionmeter that can be placed on towing or other cables to indicate the tension.

This centre axle is in fact a fully-welded and environmentally protected shear pin incorporating a combination of strain gauges to detect any change in the rope being monitored.

The device has three pulleys in line profiled to suit the rope used, the latter passing over the outer two but under the middle one. Thus the two outer wheels have their shafts in the same plane but that of the middle pulley is positioned so that when tension is applied to the rope a shear force is applied.

A contactless opto-electronic encoder can also be incorporated into one of the shafts to measure revolutions and thus the length of rope that has been paid out. Accuracy of the device is 2.21 per cent, for rope tensions up to 100 tonnes, and it will drive analogue or digital displays.

INSTRUMENTS

Traces the tracks

MARKETED in this country by MTL Microtesting and made in the U.S. by Testline is the "Shortstop" instrument for diagnosing solder shorts and other wiring problems on printed circuit boards.

Nature of the probe design and the pulse train are not revealed by the company but it is claimed that the equipment senses only the near field magnetic anomaly while ignoring the radiated field, resulting in an easily traceable path.

PROCESSES

Reducing the cost of water

PROCESS AND cooling water can now cost 60p/1,000 gallons when taken from the water authority main supply.

TEXTILES

Torque kept Speeded-up cone winder under control

THROUGHOUT the world, yarns are spun on ring spinning frames to produce relatively small packages of yarn on cop.

A SERIES of torque-limiting screwdrivers is now available from MHH Engineering Co. There are six models for production work, which are mounted on a setting rig, and three calibrated screwdrivers which can be used to apply or check a series of torque values without the need for setting equipment.

MATERIALS

Keeps heat in houses

THERMAL capacity of buildings is a point ignored by U.K. building regulations but taken seriously into consideration in the USSR, Canada, West Germany, France and Austria where many areas are subjected to far greater extremes of temperature than any experienced in the British Isles.

DATA PROCESSING

Logabax has many plans

TUCKED away somewhere within Logabax, at Every, the company's development centre, or perhaps at Arcueil, its headquarters and systems development centre (both in the outskirts of Paris) Logabax is developing a French equivalent to the IBM 5100, the desk-top system with its BASIC and APL interpreters and its communications capability.

TEXTILES

Seals pores in castings

FAST, EFFICIENT and low-cost sealing of fine and gross porosity in castings, extrusions and sintered parts is claimed to be achieved by using a vacuum impregnation system announced by Citraseal, 768, Buckingham Avenue, Trading Estate, Slough, Bucks. (Slough 268777).

THE equipment can complete four to five treatment cycles per hour. The impregnant is a reactive styrene free polymer. Its low viscosity gives minimal drag-out. Curing temperature is below 100 deg. C eliminating component distortion. When cured the impregnant will resist a wide range of acids and alkalis, solvents, brine and steam.

TEXTILES

Attractive -and safe

LATEST IN the range of laminated glazing panels from Tudor Safety Glass is a series of patterned sheets suitable for glass doors and side panels.

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But thermal capacity can have a considerable effect on the comfort and the cost of comfort in any dwelling and while the Alexander Russell Group, developer of Ruslite, command the reduction of U value of the solid wall from 1.7 to 1.0 watts per square metre per degree C in the latest amendment of the building regulations, the company says the U factor alone does not determine annual energy consumption.

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Attractive -and safe

LATEST IN the range of laminated glazing panels from Tudor Safety Glass is a series of patterned sheets suitable for glass doors and side panels.

There are seven designs available, three carrying a linked four-pointed star, and four with a leaf pattern. The glass can be clear or translucent. The decoration is silk screened on the sheets of glass comprising the lamination.

TEXTILES

Peelable floor coat

COMPANIES wishing to match the floor colour of their exhibition stands with the rest of the decor often find that exhibition hall operators object to painted floors. The same problem of television centres.

Bestobell Engineering Products Limited. Unique industrial supply service.

A FINANCIAL TIMES SURVEY ISLAM IN THE MODERN WORLD

JULY 1 1977

The Financial Times is preparing to publish a survey on Islam in the Modern World in its edition of July 1 1977. It has been timed to coincide with the international economic conference organised by the Islamic Council of Europe on the theme "The Moslem world and the Future Economic Order."

INTRODUCTION The political power of Islam and its spread in Europe and elsewhere: the extent to which the Islamic community's spiritual values differ in different areas.

ISLAM AND BANKING Islamic precepts and attitudes to banking: where banks operate according to Islamic law: the extent to which Islamic attitudes to banking affect banks in the Islamic world.

ISLAMIC AID AGENCIES Membership and activities of the Islamic Development Bank: awareness of the need for aid among Islamic nations: extent to which aid is provided on a regional basis.

ISLAMIC POLITICAL CONFERENCES History of the Islamic secretariat: the successive Islamic conferences and the issues dominating them: links between the Islamic nations and other world organisations.

ISLAM AS A GROWING FORCE The extent to which Islam dominates life in the Arab world and other areas of Moslem majority: the reinstatement of Islamic law and the extent to which it is practised.

BLACK MOSLEMS The links between Islam and the movement to support Black rights: transformation of the Black Moslems' role and their links with Islamic sects outside the United States.

ISLAM IN EUROPE Where the main communities are: a history of the British community: increasing concern with family life and Islamic education: the aims of the Islamic Council of Europe. The scope and prospects of the conference on "The Moslem World and the Future Economic Order."

MOSLEMS IN AFRICA The states in Black Africa in which there are considerable Moslem groups: the role of these communities: African variations on Islam.

MOSLEMS IN THE FAR EAST Areas in which there are sizeable Moslem communities - Indonesia, Philippines, Malaysia, and Singapore; how Islamic culture fares in areas distant from Arabia.

ARCHITECTURE Areas in which most building is going on and a study of different styles: the sources of architectural influence.

ISLAMIC LAW The resurgence of Islamic law in modern governments: the capacity of the law to deal with modern states.

CENTRES FOR ISLAMIC STUDIES How academic attitudes towards the study of Islam have changed: the main areas for studies in Europe and the United States: the main publications.

ISLAM AND POLITICAL CREEDS Islam as a modern social force in comparison with left-wing ideologies: the conflict between the modernising and conservative aspects of Islam.

PILGRIMAGE The importance of the pilgrimage in Islam: the rituals: the importance of the holy cities of Mecca and Medina.

The proposed publication date is July 1, 1977. Copy date is June 17. For further details of the proposed synopsis and advertising rates contact: Laurette L. Lecomte-Peacock, Assistant Overseas Manager - Middle East, on 01-248 8000 extension 515. The Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 885033.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

LEGAL NOTICES

No. 00176 of 1977 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Act, 1948. In the Matter of GOLDLOCKS LIMITED and in the Matter of the Companies Act, 1948.

No. 00177 of 1977 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Act, 1948. In the Matter of W. SCHIFFHOEFER & CO. LIMITED whose registered office is situated at 187, Wyndham Street, London, E.C.4 and in the Matter of the Companies Act, 1948.

No. 00178 of 1977 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Act, 1948. In the Matter of TRAVELLERS' CLUB LIMITED and in the Matter of the Companies Act, 1948.

No. 00179 of 1977 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Act, 1948. In the Matter of the Companies Act, 1948.

No. 00180 of 1977 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Act, 1948. In the Matter of the Companies Act, 1948.

COMPANY NOTICES

THE THAMES SILVERLINE AND COVENANT COMPANY, LIMITED. NOTICE OF GENERAL MEETING OF THE COMPANY TO BE HELD AT THE HEADQUARTERS OF THE COMPANY, 7, Abchurch Lane, London, E.C.4, on Thursday, 2nd June 1977, at 11.00 a.m.

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FINANCIAL TIMES CINEMA

All enquiries to: E. J. Dorner, Cinema Manager, The Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Tel: 01-248 8000 (ext. 679).

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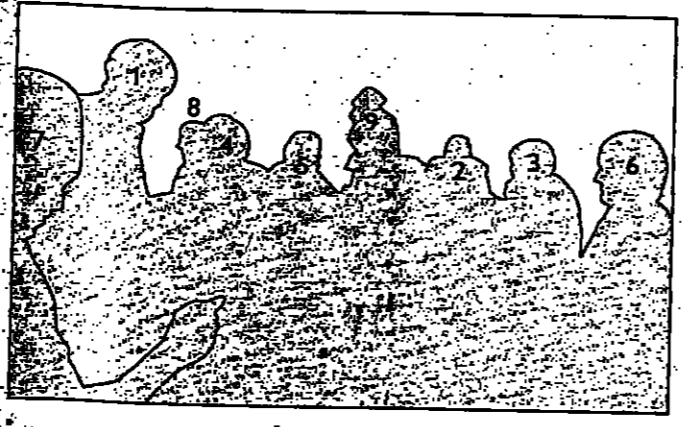
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The Norwich way to international finance is through A P Bank.

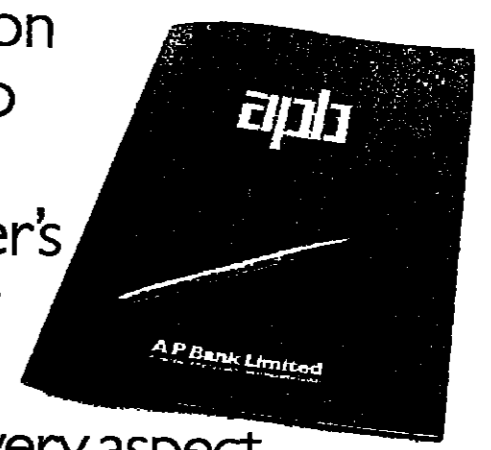
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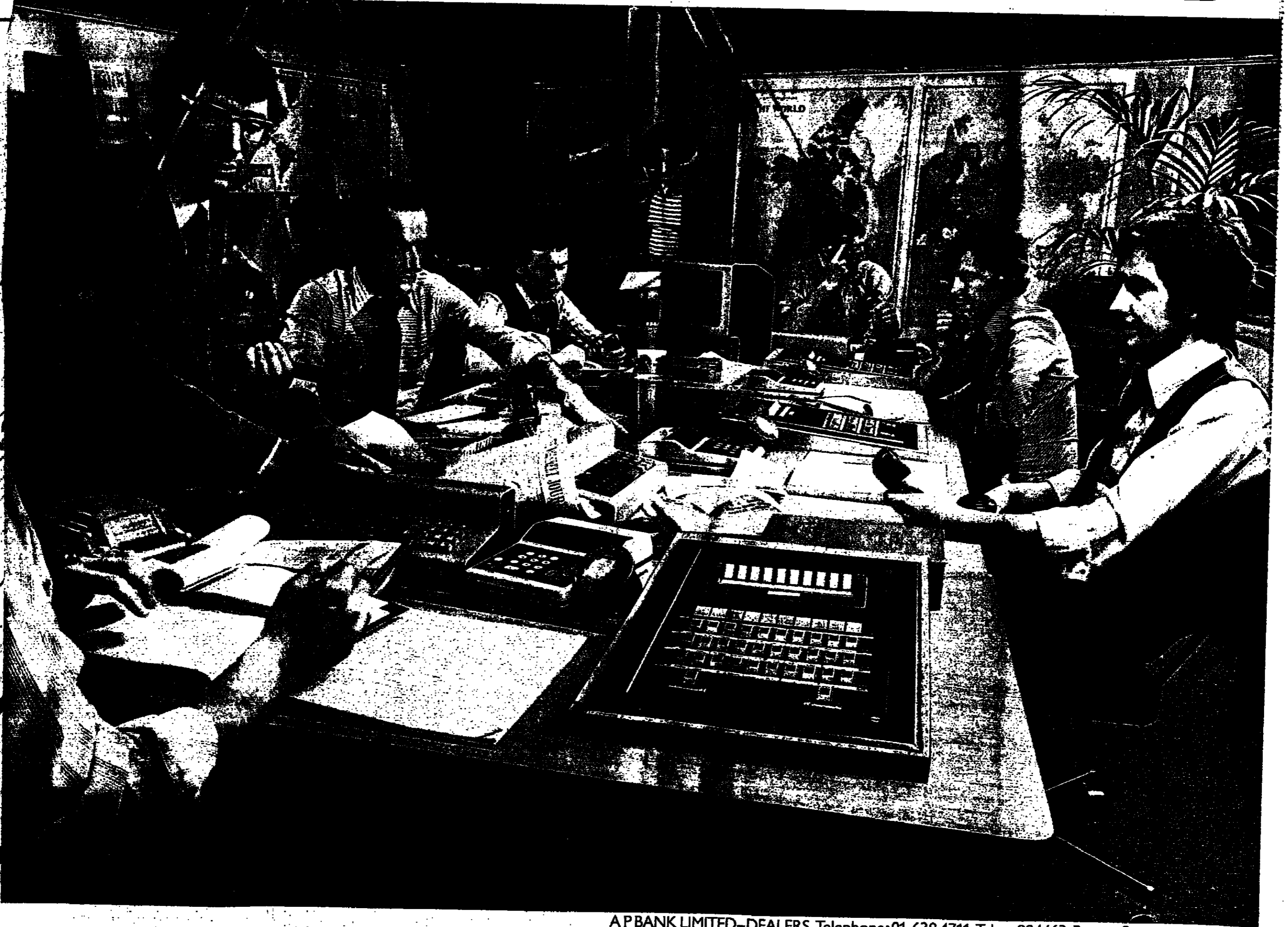
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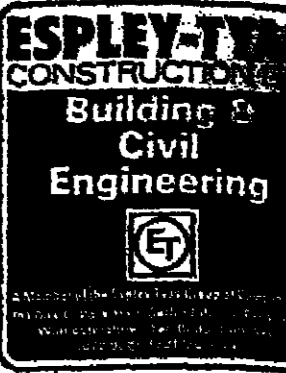
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Building and Civil Engineering

£50m. Warsaw air terminal £3.3m. port cargo shed contracts

IT HAS been confirmed that Cementation International, the overseas construction company in the Trafalgar House Group, has won the contract for the design, construction and equipping of a new air terminal complex in Warsaw for LOT Polish Airlines. This contract is worth about £50m.

The terminal will include a 43-storey tower block, four-storey podium with basements, about 15 floors of office accommodation, a terminal hall, shopping arcade and 21 floors of hotel accommodation.

Cementation's design team includes the architects Szmajelski-Katten in association with London architects Raglan Squire and Partners. Mechanical and structural designs are by T. H. Engineering Services.

It was only recently that Cementation announced it was undertaking a £24.6m. contract to build two hotels in Gdynia. Work is just starting on this job and the company expects to make a start on the air terminal in September.

The largest is a £3.3m. contract for 13 cargo sheds in Port Rashid. The steel-framed buildings, covering 117,000 square metres, will be constructed by Costain-Taylor Woodrow, the main contractor for Stage I of the port extensions, for the Ruler of Dubai.

Designing a drainage system

D. BALFOUR and Sons and Borna Consulting Engineers, joint venture associates in pollution control engineering in Iran, are preparing designs and contract documents for a surface water drainage, sewerage and sewage treatment system for the port of Bushehr on the south west coast of Iran.

£3.9m. for R. M. Douglas workshop.

R. M. DOUGLAS Construction has been awarded contracts totalling £3.9m. all of them for industrial projects. The largest is a contract worth £1.1m. for a paper fibre recycling plant at Prudhoe, Northumberland for Kimberly-Clark.

Another award is for a coil production warehouse at Cannock near Joseph Lucas. This will be a steel-framed building with offices and will cost £348,000. R. M. Douglas Roofing has been awarded contracts for metal deck roofing and cladding totalling nearly £380,000. This includes a contract for £315,000 for Volkswagen at Milton Keynes, one for £129,000 at the Washington Centre, Washington, Tyne and Wear, and one for £108,000 at an advance factory and an extension to an existing workshop.

Industrial buildings and offices

WAREHOUSES and other industrial buildings are to be constructed at Morden Road, Merton, in South West London, at a cost of over £2m. The work is being carried out for Electricity Supply nominees by Willment.

Huddersfield hypermarket

WORK HAS started on what is believed will be Britain's biggest privately owned hypermarket, at Huddersfield, Yorkshire.

The £6,000 square feet building is being created by the conversion of a 100-year-old textile mill at Birkby, just outside the town centre, at a total cost to the family business of F. and A. E. Lodge of £2½m.

Arcor will supply 2,200 tonnes of structural steelwork fabricated to specifications laid down by Halcrow Middle East, consulting engineers for the project.

The roof and walls of the sheds will be clad with asbestos sheeting. Almost 3,000 translucent rooflights and over 1,000 roof ventilators will be fitted; each building will have eight sliding doors to give vehicle access.

The second contract, worth £1.1m. is to supply five cargo sheds for Doha Port, State of Qatar.

The Qatar Government's Engineering Services Department, for whom Coope and Partners are acting as consulting engineers, placed the contract for the 39,700 square metres of steel-framed buildings with Arcor.

Lightweight additives

TWO developments in connection with the use of lightweight concrete (Lyttag) were announced last week by Chemical Building Products of Hemel Hempstead, Herts, a subsidiary of Fosroc Minsep.

To improve the pumping qualities of Lytag concrete, an admixture called Compast 242. In powder form and a blend of dispersion and thickening agents, it enables Lytag concrete mixes to be pumped up to heights of at least 35 metres and through 100 metre long pipe runs at a higher rate than is possible with conventional pumped concrete mixes.

Wide spread of work for Wimpey

THREE contracts together worth about £3m. have been won by Wimpey's London and South East Division.

The largest, in central London, is for refurbishing and structural alterations of office and industrial premises known as Novello House in Wardour Street, W.1. Work, for International Contractors, has started.

For the London Borough of Ealing, in Southfield Road, Acton, Wimpey is to build six blocks of six-terraced houses, one

£18½m. contract in the Gulf

Five deep water berths in the port of Mina Zayed, Abu Dhabi, are to be constructed by Howard Algemei Construction Company. The contract is worth about £18½m.

The berths will be 1,150 metres long and have a dredged depth of between 9.5 and 11.5 metres. They will be formed by a precast and in situ reinforced concrete deck and beams supported on 610 mm diameter tubular steel piles up to 27 metres long.

School and homes

STRATHCLYDE Regional Council has awarded two contracts, totalling over £2m., to Laine for school construction. In Ayr, a comprehensive school for 750 pupils is to be built at a cost of £1.4m., and Laris Academy (a comprehensive school) is to be extended at a cost of £733,000.

The Ayr school, starting from a green field site, will include a three-storey teaching block, a work

Carter wins £3½m. orders

WORK WORTH a total of £3½m. has just been secured by the R. G. Carter Group.

The King's Lynn company is to build a distribution depot for GEC/Hotpoint at Llandudno, North Wales, worth £380,000 while R. G. Carter (Humberstone) is about to start work on a process factory for Findex in Grimsby worth £500,000 and on an £880,000 contract for a bar and shop development in Sheffield for the Yorkshire Dales Housing Association.

In Norwich, John Youngs, also a member of the Carter Group, has won a contract for the construction of a paediatric assessment unit at the Norfolk and Norwich Hospital for the East Anglian Regional Health Authority worth £138,000. R. G. Carter has won contracts for two areas of housing on the Bowthorpe Development, south of Norwich, worth a total of £1.1m.

Hydraulic excavators from Ford

TWO HYDRAULIC excavators with 3800 digaw, have been launched by the Ford Hydraulic unit at the Norfolk and Norwich Hospital for the East Anglian Regional Health Authority worth £138,000. R. G. Carter has won contracts for two areas of housing on the Bowthorpe Development, south of Norwich, worth a total of £1.1m.

The H45 is tracked, and is powered by a 4-cylinder Ford diesel engine, producing 67 bhp at 2100 rpm. All movements are hydraulically driven, by the hydraulic power supply three axial piston pumps. Speed is infinitely variable up to 6.8 rpm.

Maximum travel speed (forward and reverse) is 1.5 mph for the tracked machine and 13.6 mph for the wheel version, which has hydraulic steering.

All work movements are controlled by two levers, and machines are fitted with a choice of multi-position or manual booms. A wide range of bucket and other construction equipment can be fitted. Maximum bucket capacity is 1 cu yard maximum lift 2.8 tons, when the machine is fitted with stabilisers.

Maximum digging depth the H45 is 22 feet, and of P45 21 feet—both have a minimum reach of 32 feet.

More details from Ford Tractor (The Tracked) Division, 232 Farm Road, Baxindon, Essex SS14 3AD (0266 3000).

Water jet system in a dry dock

A HIGH-PRESSURE water jetting system has been commissioned for use by Astilleros Espanoles S.A. in the new drydock complex at Cadiz. The £30,000 system can be remotely controlled from the dock floor and is installed primarily for external ship cleaning and removing marine growth.

Supplied by the Spanish distributor for the Hydrojet Division of A. Long and Co., Aiken, Espanola Lda, Madrid, it is a fixed installation with 24 take-off points on the dock floor.

Designed for the cleaning of all types of vessel, the system supplies each of the 24 take-off points at a pressure of 200 bar at 85 litres/min.

£1½m. job on the Metro

CONSTRUCTION of the Kenton for the 5km. section, and Line, part of the Tyne and Wear Metro system, is to be undertaken by Balfour Beatty for the Tyne and Wear Passenger Transport Executive.

The £1½m. contract covers all civil works, except trackwork, for the 5km. section, and includes two bridges and three stations.

Mason Pittendrigg and Partners are the consulting engineers and the executive architects are Ainsworth Spark Associates. Work is due to start soon.

Wimpey has won two contracts totalling about £27,000. Nottingham City Council has awarded the company a £180,000 contract for the repair of 78 houses at Dalgety Bay, Fife, Scotland.

Behaviour of rigs

STUDIES WHICH will undoubtedly prove to be of major importance in North Sea engineering technology are to be carried out by Atkins Research and Development under contracts awarded by the DOE and constructed in which the effect of working closely with Atkins in the project will be reduced from 0.75 to 0.85. Flint and Neill specialist effect on each variable will be investigated by engineering consultants, and shown to a change in weight after the change, the structure will be designed to have the same overall stability.

Investigations to be carried out will seek to improve areas of knowledge which are essential and thereby show where further and immediate research is imper-

Loading, geometric, material and constructional uncertainties will be examined. For example, the fatigue life of marine structures apart from electrochemical effects, may be critically dependent on the growth of marine organisms. This is not known, mat-

Windows for Hungary

KOMPLEX, THE Hungarian Government importing agency, has placed a £700,000 contract with Blacknell Buildings (Montague L. Meyer group company) for the supply and installation of window manufacturing plant.

Industrial buildings and offices

warehouses and other industrial buildings are to be constructed at Morden Road, Merton, in South West London, at a cost of over £2m. The work is being carried out for Electricity Supply nominees by Willment.

IN BRIEF

erecton of a liquids manufacturing building at Crewe Hall, Crewe, Cheshire. The value is about £¼m.

• Bates Special Works has won a £225,303 contract from the London Borough of Hackney to modernise three blocks of flats at Shackwell House, Shackwell Lane, London, E.5.

• Bernard Sunley and Sons has won an order in Doha for the construction of a swimming pool and majlis for the State of Qatar. A range of instant accommodation units for home and overseas markets has been developed by Foster-Gunn International, one of the Foster Rainford Group of companies based near St. Helens, Merseyside. They pack flat for ease of handling and transportation and arrive on site with electrical wiring and plumbing complete. Prices start from around £3,000.

• Costain Construction has been awarded a contract for a £130,000 contract for three-storey office block on Great North Road, Finchley, for Costain Property Developments.

CONTRACTS AND TENDERS

INVITATION FOR INTERNATIONAL TENDER NUMBER 1/77

THE ARAB CONTRACTORS (OSMAN AHMED OSMAN AND COMPANY)

TECHNICAL AND EXECUTIVE GENERAL DIRECTORY COORDINATION DEPARTMENT

29 EL GALAA STREET, CAIRO

1. The Arab Contractors (Osman Ahmed Osman and Company) of the Arab Republic of Egypt, issues an international tender for the supply of construction equipment including bulldozers, tower cranes, concrete dumpers, combined man and material lifts, concrete hoists, pumptions equipment and truck-mounted cranes. Financing of this equipment will be effected through a loan given by the Arab Fund for Economic and Social Development to the Tourah Portland Cement Company.

2. Offers are to be submitted directly to the Co-ordination Department, the Arab Contractors, 29 El Galaa Street, Cairo, marking the envelope in block letters TOURAH PORTLAND CEMENT COMPANY, and should be submitted by commercial registered agents or government commercial public sector companies registered as commercial agents.

3. Specifications and conditions can be obtained from the aforementioned address, 4th Floor, for 20 Egyptian Pounds per copy.

4. Opening dates will be in accordance with the time in the tender specifications book. Offers arriving later than this time or before date of publication or not accompanied by the required letter of guarantee will not be considered.

SUDAN RAILWAYS STORES DEPARTMENT
Contract No. 5025

Supply of 4 (four) Diesel Driven Inspection Cars

1) Controller of Stores, Sudan Railways, Athara invites tenders for supply of 4 (four) Diesel Driven Inspection Cars.

2) Details and specification can be obtained from the Office of Controller of Stores, P.O. Box 65 Athara or from the Office of Stores representative at Catering Stores, Khartoum, on submitting a written application bearing 50/1/5 stamp duty and payment of LS.3.000/5 for one copy of details and specification.

3) The closing date fixed for acceptance of tenders in this Office is Saturday 2nd July 1977 at 12.00 hours noon.

OFFICE OF CONTROLLER OF STORES

RWANDA

Tea Factory RAMBA-GASEKE

African Development Fund based in Abidjan (Ivory Coast)

a) Planning and construction of the main factory building plus other necessary spaces.

b) The supply and fitting out of all necessary tea machineries which will enable a yearly production of 1200 tons of dry tea.

c) CTC method will be accepted against orthodox one.

Available at BAYER INGENIEUR Ges MBH, Postfach 2228, D-6750 Kaiserslautern, Federal Republic of Germany, against payment of DM 300,— or

BAYER INGENIEUR Ges.mbh B.P. 778 KIGALI-RWANDA against payment of FRW 10,000.

GOVERNMENT OF FIJI

TENDER FOR TELEPHONE CABLE

The Department of Posts and Telecommunications of the Government of Fiji proposes to purchase the following equipment in connection with a second telecommunications project. Payment for this purchase will be made from the proceeds of a loan being provided by the International Bank for Reconstruction and Development.

Telephone cables in various sizes comprising approximately 33 kms of underground PCUT and PCQT lead, sheathed types; 188 kms of underground polythene insulated and sheathed types and 5 kms of aerial self-supporting polythene insulated and sheathed types.

Tendering is open to manufacturers in member countries of the World Bank and in Switzerland. Manufacturers who are interested in tendering for the supply of part or all of this equipment should apply for tender documents by 16th June 1977 to the Crown Agents at the following address enclosing a remittance of 40 U.S. dollars or £25 sterling and quoting E2B/FIJI P72WB 7/08233.

The Crown Agents for Oversea Governments and Administrations

4 Miltbank London SW1P 3JD

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Built 1955 by Charles Hill & Sons Bristol, as a Bottom Door Motor Hopper Dump Vessel. Converted.1972/3 to a Trailing Suction Dredger.

Dimensions: 150' x 33' x 13' 6"

Engine: British Polar Diesel Type M46M with single screw & Diesel auxiliaries.

Hopper Capacity: 500 cu. yard.

Suction Pump: 20/20 Simon Wamaa, belt driven from a Ruston Paxman 12 r.h.p. diesel engine.

Viewing: From Monday 20th June 1977 to Friday 24th June 1977 (inclusive) 9.00 a.m. to 5.00 p.m. daily at HUSBAND'S SHIPYARD, MARCHWOOD, SOUTHAMPTON.

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59/62 High Holborn, London WC1V 6EG
Tel: 01-405 8411 Telex: Z1120.Mono Ref. 1325

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Description	Price	Teleph
TWO VARIABLE SPEED FOUR HIGH ROLLING MILLS Ex. 6.50" wide razor blade strip production	P.O.A.	0902 42541, Telex 331
ROYAL SWAGING MACHINE by Farmer Norton, max. capacity 17 M.S. bar.	P.O.A.	0902 42541, Telex 33
MODERN USED ROLLING MILLS, wire rod and tube drawing plant—roll forming machines—slitting—flattening and cut-to-length lines—cold saw—presses—guillotines, etc.	P.O.A.	0902 42547, Telex 33
1974 FULLY AUTOMATED COLD SAW by Noble & 3/4" wide, bench control for cutting non-ferrous bar. Max. capacity 5" round and square.	P.O.A.	0902 42541, Telex 33
30 HP HORIZONTAL BULL BLOCK 800 mm diameter drawblock.	P.O.A.	0902 42541, Telex 33
1970 CUT-TO-LENGTH LINE max capacity 1000 mm x 2 mm x 7 tonne coil fully overhauled and in excellent condition.	P.O.A.	0902 42541, Telex 33
1965 TREBLE DRAFT GRAVITY WIRE DRAWING MACHINE by Farmer Norton 27"-29"-31" diameter drawblocks.	P.O.A.	0902 42541, Telex 33
STRIP FLATTEN AND CUT-TO-LENGTH LINE by A.R.M. Max capacity 750 mm x 3mm.	P.O.A.	0902 42541, Telex 33
1963 HYDRAULIC SCRAP Baling Press Capacity of main ram 85 tons.	P.O.A.	0902 42541, Telex 33
THREE UNUSED 10 DIE SUPERFINE WIRE DRAWING MACHINES by Marshall Richards.	P.O.A.	0902 42541, Telex 33
1,750 mm wide x 9 ROLL FLATTENING MACHINE — fully adjustable and equipped with back up rolls.	P.O.A.	0902 42541, Telex 33
450 KVA MIRRLESS DIESEL GENERATING SET, 3300 volt, 3 phase, 50 cycles, 750 r.p.m. Ex. ministry, skid-mounted. Choice of four with only 307, 381, 707 and 869 hours on respective clocks.	£7,500 each	0283 Telex 9
WATER PURIFICATION SETS, convert sea water to drinking water. 85 gallons per hour. Diesel driven—unused.	£4,000	0283 Telex 9
390 KVA ENGLISH ELECTRIC DIESEL GENERATING SET, 400 volts, 3 phase, 50 cycles, 750 r.p.m. Ex. ministry. Two available.	£2,500 each	0283 Telex 9
250 KW DORMAN DIESEL GENERATING SET, 415 volts, 3 phase, 50 cycles, 1500 r.p.m. Ex. ministry, skid-mounted, 401 hours on clock.	£8,000	0283 Telex 9
250 KW PAXMAN DIESEL GENERATING S.T. 415 volts, 3 phase, 50 cycles, 1000 r.p.m. Ex. ministry, skid-mounted.	£7,500	0283 Telex 9
WEIGHBRIDGE, AVERY 40-ton capacity 32ft. x 9ft. platform dial indication.	P.O.A.	01-9 Telex
RECORD 9H BLOCK-MAKING MACHINE plus mould boxes. No. 3 Cumflow mixer, 30 ton portallio with automatic weigh gear.	£2,800 complete.	

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MODERN USED ROLLING MILLS, wire rod and tube drawing plant—roll forming machines—slitting—flattening and cut-to-length lines—cold saw—presses—guillotines, etc.

The Executive's and Office World

EDITED BY CHRISTOPHER LORENZ

THE NATIONAL MANAGEMENT GAME

Racing for the first division

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

SMITH, a mighty man who wrote Henry Wedgworth's name, and there can be no doubt that he was right. At the 16 semi-finalists in the 1977 National Management Game, Smith is still in the competition with certain organisations getting teams through to the late stages of the computer-based contest year after year.

Rank Xerox last year's champion, is still in the competition with the experienced John Chappell as chairman of its Uxbridge team. It has a second side competing in a different playing group. If both these teams manage their "paper" consumer-durable companies to the greatest profit in their respective groups during the semi-finals, there will be two Rank Xerox sides in the final.

A third playing group for the semi-final contains two of the 1976 finalists—Gulf Oil which finished second, and ICI which came fourth, an extra spur for it to deny Gulf a place in the final this year.

Survivors

The 1975 champion, the Littlewoods Organisation, is in the last playing group, and a second team from this company could well have been alongside if it had not been drawn against the 1976 champions from Rank Xerox in the quarter-final.

Jack Layzell, administrator of the National Management Game, is making no forecasts about the likely finalists. All the survivors managed admirably in the quarter-final round, he says.

The computer programme cursed them with a difficult economic climate in which to decide what prices to set in the different markets, and how much of their own or borrowed "cash" to allocate to marketing, running and expanding their factories, distribution, research and development, hiring consultants, and so on. In addition, they each had to contend with a factory fire which restricted their produc-

THE SEMI-FINAL DRAW

Peterson Candy International Mr. N. W. Smith (British Gas)	Imperial Metal Industries, Birmingham
Rank Xerox, Uxbridge* Coopers and Lybrand	Midland Bank, Leeds
Unilever audit dept., Fort Sunlight	Commercial Union activities, Gulf Oil***
GKN Fasteners Rank Xerox, Denham	J. Wall and Son (Ice Cream) Construction Industry Training Board
Delmonte Foods	Hoover
	The Littlewoods Organisation**

* Champions 1976; ** Champions 1975; *** Finalists 1976

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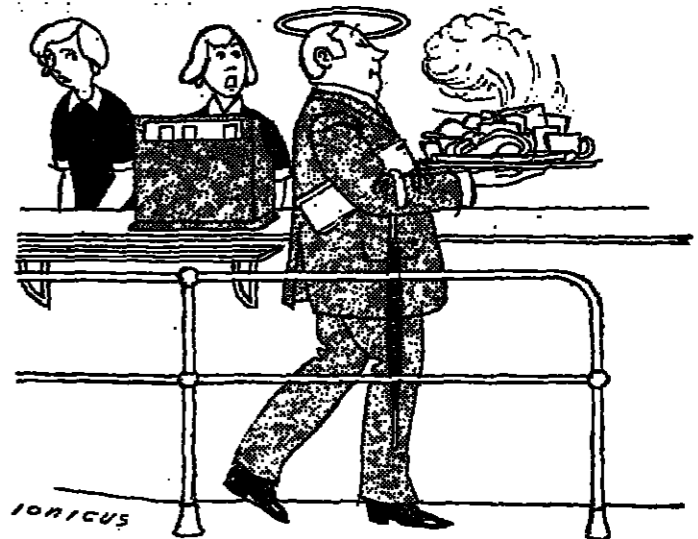
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EXECUTIVE HEALTH

Sin in a corpulent state

BY DR. DAVID CARRICK



... sensation of virtue exceeded by a voracious appetite ...

STOUTNESS was once a status symbol; a sign of success. Look at photographs of our Victorian ancestors and note the proud faces above the several chins of the prosperous merchants. Count the number of links in their watch chains, each representing the success of their expanding trade and corporations.

To-day, corpulence is almost a sin. So it is that, for medical reasons and, far more usually, for vacuous vanity, slimming is the rage, and whole industries grow fat on the fears and fancies of folk with fuller figures.

In the previous article a fortnight ago I suggested that the causes of obesity are not really understood, but the answer must lie somewhere in the complex mechanism of a body which makes the most sophisticated computer seem as simple as an hour-glass. The actual processes of digestion and metabolism, however, can be outlined in simple terms.

Pituitary orchestra

Starting from the point where digested foods are passed from the stomach to the small intestine, selective absorption occurs. Carbohydrates are reduced to simple sugars and carried to the liver which converts some to glycogen for immediate use as fuel for heat and energy. Any excess is stored for future use or converted into fat.

Proteins are likewise carried to the liver and then employed for body growth and tissue repair, excess amounts being converted to glucose. Fat products pass into the lymphatic system, then to the blood and so to the liver which makes them available for heat and energy, any excess being stored in the subcutaneous and deeper tissues for emergency mobilisation.

The three major food factors are therefore closely interlinked and delicately balanced in the process of metabolism. And like most, if not all, of the bodily functions, this balance is controlled by

hormones monitored by "the leader of the endocrine orchestra," the pituitary. Some where in that marvellous manoeuvring lies the key to the problems of obesity.

Losing weight rapidly is easy. A few days in the Sahara without food or water is highly effective—if you survive. Fat is taken from the depots to provide energy for the exercise and none is replaced. Water is lost by breathing and sweating and via other channels. As the body is made up of 70 per cent water, which weighs ten pounds per gallon, it is quite evident that even the fattest person will be reduced to a bag of bones after such an experience.

The same principle is employed by certain operators who administer purges and diuretics to their clients and feed them on lettuce leaves. Of course the victims lose weight, but thirst is more powerful than will-power and the only pounds permanently lost are of the sterling variety. Crash-dieting may damage the health and is peculiarly useless.

For after the patient has subjected himself to it his sensation of virtue is only exceeded by an appetite that is so voracious that, within weeks, he may become heavier than before he started.

Weight can be lost painlessly. The patient should cut down on

Life should not be too awful

So that life should not be too awful and also for the benefit of the psyche, a good "blow out" once weekly can do no harm. The programme takes many weeks or months. But by the time the target is struck, the slight change in the patient's life-style should be easy to maintain.

One man of 18 stone took five months to drop to 12 stone and the change was remarkable. His bronchitis and the pain in his knees vanished—so did his jollity. For from being grateful for his gracuity, he had the sauce to suggest that I should help to buy him new clothes. You can not win them all.

Hiring the disabled

EMPLOYERS' guide on the disabled people has been given equal opportunity at work.

The guide, called Positive Policies, insists that employers use companies to take care of handicapped workers. It is published in conjunction with the National Advisory Council on the Employment of Disabled People.

The guide says that disabled people in the U.K. and abroad have found that disabled people usually work as well as their non-disabled colleagues. Companies should rid themselves of stereotyped notions about disabled people, it says. They should give disabled people the same consideration when filling job vacancies as a disabled person has been taken on, he or she should be given equal opportunity at work.

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TSA goes for action learning

THE Training Services Agency is planning to establish a national network of action learning groups for managers in industry. This is the first time that a public sector body has sponsored an action learning scheme.

The new scheme is to be run in collaboration with the Institution of Works Managers. It will involve the appointment of eight regional co-ordinators who will set up management action groups in their own areas. Each group will have four to six managers. They will learn by working together to investigate and tackle the real life problems that confront them in their own companies. Group meetings will be held over a six-month period and each one will be guided by an experienced counsellor.

The TSA says the scheme has two main objectives. The first is to help experienced managers to improve their effectiveness. The second is to enable companies to develop management development programmes that are relevant to their own needs and problems.

The regional co-ordinators are to be based in Cheshire, Birmingham, Bristol, Sheffield, Glasgow, Cleveland, Leicester and St. Albans.

Mr. C. J. Benson, general secretary of the Institution of Works Managers, said that the new scheme would add a much needed development to industrial training. "Our overall aim is to increase the productivity of industry by raising the standards of industrial management," Mr. Benson said. "It follows that we are delighted to have the support of the TSA to develop the whole concept of action learning."

"We believe our branches will give the scheme full support and if industry will collaborate, it—and the country—will show a substantial return on this investment in still better managers."

The action learning groups would not be limited to members of the institution, Mr. Benson added. "It is very much our wish that other institutions and professional bodies will be able to co-operate."

Sue Cameron

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Small firm training needs to be studied

THE GOVERNMENT has selected part of manufacturing industry as the test bed for its research into the management and business education needs of small businesses. To be carried out by Manchester Business School, the study will range widely across the country, and will look at sectors such as metalworking, printing, plastics, textile finishing and timberworking (including furniture). It will take about a year to complete.

When it first announced the study last year, the Department of Industry did not confine its belief that many small business owners "are finding increasing difficulty in keeping abreast of the administrative complications of the modern world, and are often not able to take advantage of the available management training facilities because of the demands which their businesses make on their time."

The study will concentrate on both needs and current provisions to meet them, and could lead to research into other sectors of the small business community on behalf of the Department of Education and the Training Services Agency, with whom it jointly commissioned the work. The team plans to consult a wide range of representative bodies, including industrial training boards, trade associations and chambers of commerce, the DoI said.

C.L.

An American road to managerial mobility

AMERICAN companies expect to pay removal expenses of between £5,000 and £10,000 when they send an executive from one part of the country to another, a conference on international relocation was told last week.

But if the cost is high, U.S. organisations and their employees can call on the "total relocation" services provided by American estate agencies. The agents—or realtors as they call themselves—will arrange all aspects of a move for an executive and his family. They will help him find a new home, provide lodgings during house hunting trips and arrange for the transportation of furniture. This all-in removal business is booming in the States, and now it is possible that estate agents in Europe may start to provide a similar type of service.

The one day conference, held in London, was organised by Property Agents International and the All Points Relocation Service (APRS).

Mr. John Schwaller, of APRS, explained that his organisation is an association of estate agents from all areas in the U.S. It has links with a number of other companies, including American Airlines, Western Airlines, Holiday Inns and Avis. When an executive wants to move, his estate agent can arrange everything through the concerns that are affiliated to APRS.

Most North American companies expect to pay the entire removal expenses of their managers, Mr. Schwaller said. This is because experience has taught them that it is cheaper "to retain the experienced employee at almost any price than to hire an inexperienced, unknown factor."

The £5,000 to £10,000 cost of moving a manager would normally cover the broker's commission on the purchase of the new home, Mr. Schwaller said, as well as the cost of transporting the manager's family and furniture, up to three house-hunting trips and the installation costs of such things as dishwashers, television aerials and refrigerators.

"We find that corporations are perfectly willing to pay in order to provide their transferred employees with kid-glove, red carpet treatment," he said.

"As multi-national organisations now transfer executives and entire plants to the North Sea and North Africa, you can readily see that the need for such services is world-wide."

Opportunities for expansion in the U.S. removal business were "endless," Mr. Schwaller claimed. To make life even easier for executives on the move—and their companies—home purchasing corporations had been set up. Sometimes called "buying groups," these will contract to buy up the homes of all the employees that a particular company is planning to move to another area.

S.C.

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MONDAY, MAY 30, 1977

A need for persuasion

LAST YEAR the Royal Commission on Environmental Pollution produced a report which warned of the dangers of too big a commitment to nuclear power, especially if this involved reliance on fast breeder reactors.

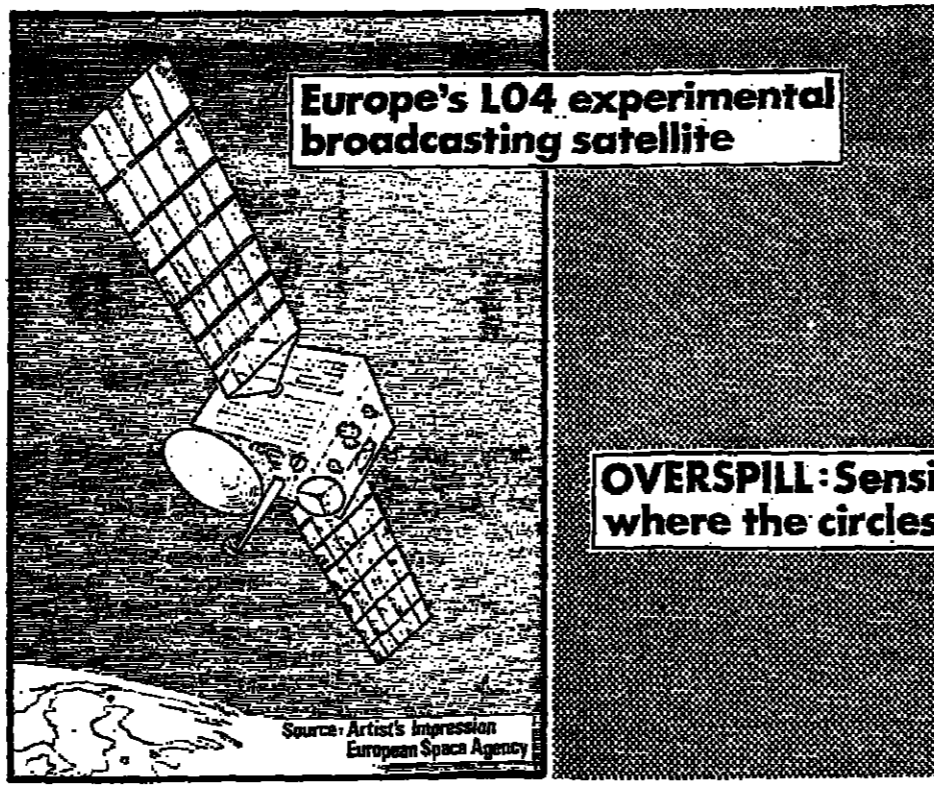
Security On the handling of radioactive waste the Commission proposed and the Government accepts that management should no longer be vested in the same department which has the task of promoting nuclear power.

Not the best way of doing it

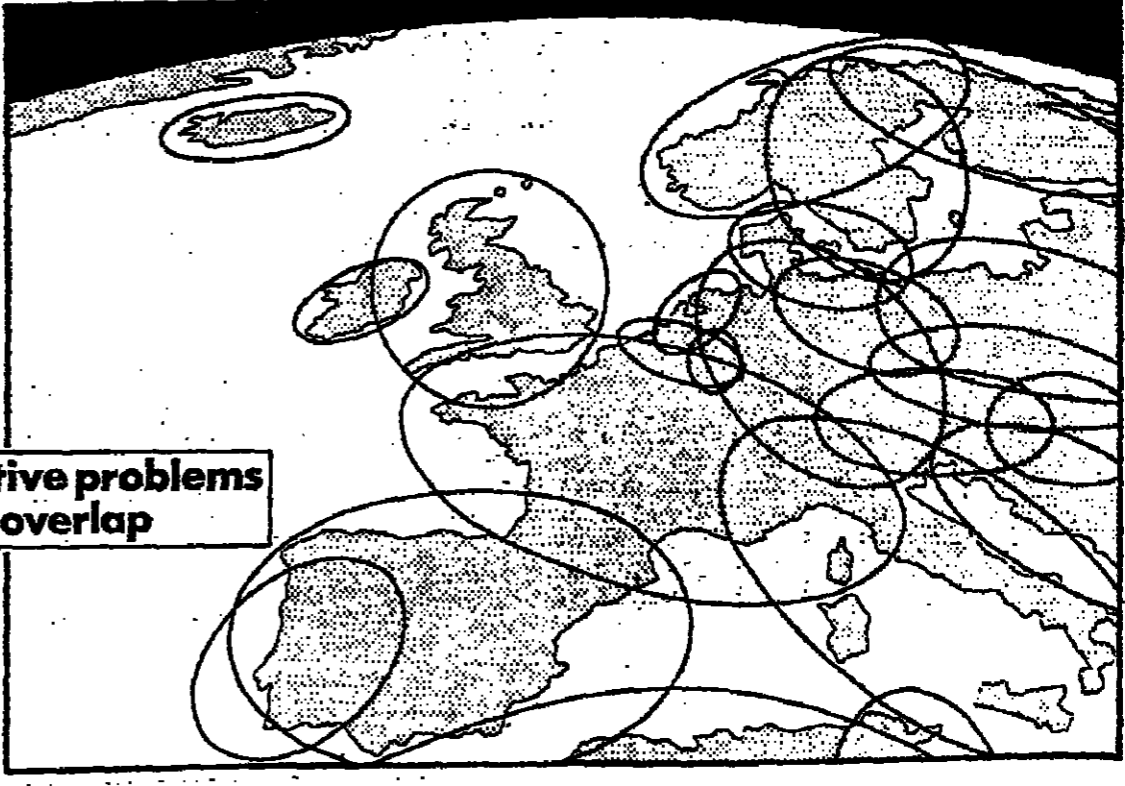
IT IS a fair bet that President Amin of Uganda will not, after all, be attending the meeting of Commonwealth Heads of Government that opens in London next week.

Tyrant From the start, there should have only been one consideration, namely that under no circumstances could President Amin be allowed to come.

Cat and mouse That last is the feeblest excuse of all. It is an excuse for dodging the issue.



Europe's L04 experimental broadcasting satellite



OVERSPILL: Sensitive problems where the circles overlap

TV's bird high in the sky

By DAVID FISHLOCK, Science Editor

IF anyone needs convincing that there is a case for providing developing nations with the most advanced technology in sight, he should listen to Dr. P. V. Krishnamoorthy, director-general of India Television.

Entirely new concept Satellites have already been used very successfully as relay stations high in the sky, to bounce TV programmes across oceans.

interference are clearly defined. The 12 GHz waveband can accommodate 40 TV channels.

Footprints and uplinks

But how far off is the novel technology of direct satellite broadcasting? The enthusiasts believe that it could be very close—some even claim that all the technology needed has already been demonstrated for the 12 GHz microwave band now contemplated.

there is already evidence that the costs to be borne by the householder will not be disproportionate to what he is already prepared to spend on domestic electronics.

A new kind of problem

There are certain types of advanced technology which some of the developing nations recognise, can immeasureably accelerate their progress, even if for the most part they make better use of what variously known as "intermediate" or "appropriate" technology.

Direct satellite broadcasting is another example—indeed one where the developing nations could even leap ahead of other countries.

The strongest pressure for direct satellite broadcasting seems certain to come from the developing parts of the world, and from neighbouring nations bound together by a common language or culture.

MEN AND MATTERS

The de-hiring business

There is no denying the fact that the most unpleasant part of business life is telling someone they have got the sack.

Royal Bognor's Greek connection

It is a sign of the times that a hotel which was described in a guidebook a couple of years ago as a "gentee hideout" for Royalty in the last century should actually have been shut down early this year.

Recycling (?) Am I imagining it, or do most of the brighter ideas for dealing with life's problems come from Scandinavia? For instance, on clear Norway's countryside, the junked cars and encourage circulation of their valuable

Lesson

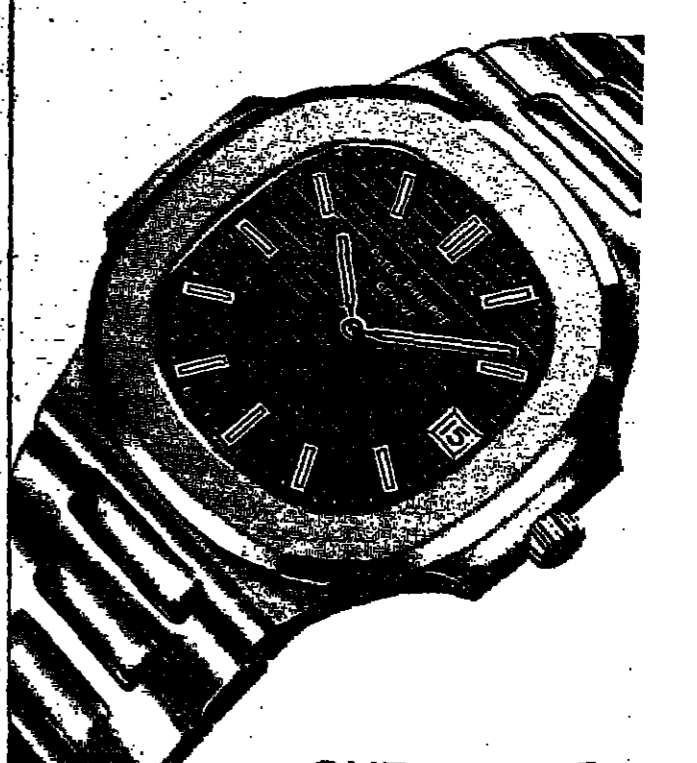
Pietr Neporozhny, Minister of Power and Electrification in the USSR, seems to have impressed Anthony Wedgwood Benn and his energy officials with his sense of humour.

Observer

scrap, the Oslo government is planning to give a new twist to an old idea.

The scheme is part of a comprehensive pollution control Bill that is expected to receive parliamentary approval soon.

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13

FINANCIAL TIMES SURVEY

Monday May 30 1977

International Property

Tenant demand in most world property markets is recovering, though not enough to encourage much development. However, capital values are likely to benefit from the growing trend towards direct institutional investment.

jöll'ity, *n.* merrymaking.

jöll'y, *a.* joyful; festive, jovial; (colloq.) pleasant, delightful. *n.* (Nav. sl.) royal marine. **v.t.* banter, talk into a good humour, flatter. *adv.* very. ~ (-boat). clinker-built ship's boat smaller than cutter.

jolt, *v.t. & i.* jerk from seat, &c.; move along with jerks. *n.* such jerk.

jölt'y, *a.*

Jones, Lang, Wootton, *n.* professional service. in fields of international real estate *v.t.* take counsel with; seek advice on all property matters.

Jön'athan, *n.* (Brother) ~, personified people, typical citizen, of U.S.

jonq'uil (jō-, jū-), *n.* rush-leaved daffodil; pale yellow.

Jor'dan alm'ond, *n.* fine almond, esp. from Malaga.

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INTERNATIONAL PROPERTY II

A slow revival under way

TO-MORROW WEEK, in Paris, a 40,000 sq. metre, 35 floor block known as Pariferic, will go to public auction. In Eastern Paris, away from previously established office locations, it was developed by Amalgamated Investment and Property, one of the British companies which took the European property markets by storm in the early 1970s. Largely completed by the end of 1975, Pariferic still had parking areas and restaurants to be completed when ATP became the first major quoted British property group to go into liquidation the following spring. A letting campaign has been unsuccessful and now the building, on which bankers led by Credit Lyonnais have advanced nearly \$200m., will go for auction with a reserve of \$100m.

While such skeletons from the boom years continue to haunt the world's property markets, and while European and U.S. property owners have made progress, it is perhaps surprising that some balance has returned to most world markets as portfolios with compound growth rates of 12 or 15 per cent. In the post-war period have proved investment belief in the best-built, best-let buildings as an inflation hedge, as to any quick revival of tenants' demands for space.

There are, of course, excep-

Leaders

European, and particularly British institutions, have been the boom years continue to haunt the world's property markets, and while European and U.S. property owners have made progress, it is perhaps surprising that some balance has returned to most world markets as portfolios with compound growth rates of 12 or 15 per cent. In the post-war period have proved investment belief in the best-built, best-let buildings as an inflation hedge, as to any quick revival of tenants' demands for space.

tional areas in most countries, more closely tied to prevailing interest rates. What is gradually altering the face of world property markets is partly the growth of pension funds, adding to the total weight of investment money from which property gets its share, and partly the fact that most money managers are starting to accept the idea of a higher proportion of direct property investment in their portfolios.

As a senior Canadian investment manager says, "After a decade when the common stock, the darling of the North American institutions, really hasn't done much for us, we are bound to look for another equity instrument; and maybe that's real estate."

Hence the Canadian insurance companies are winning permission to put a greater portion of their assets in direct property investment; hence United States pension funds, freed from previous legal restraints in this area, are looking more closely at property performance, and the U.S. insurance giants are, while still prepared to provide long-term, fixed interest money on the right properties, wondering whether, since they take much of the risk, they should not enjoy more of the rewards. The process is gradual, and in the crisis which developed in

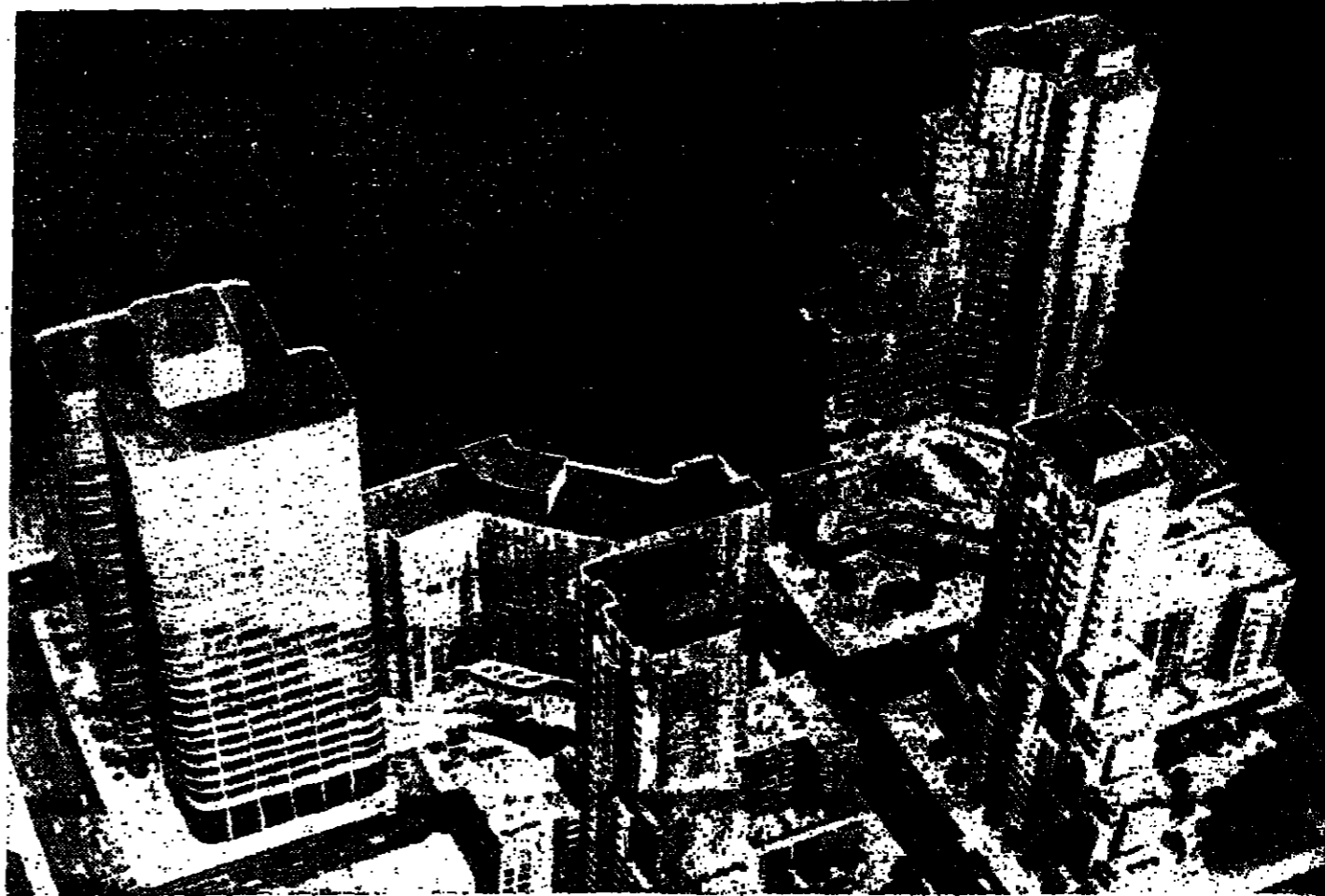
most markets in 1974-75, many institutions naturally returned to the most conservative forms of financing—out went participation mortgages or the system of buying land and mortgaging the leasehold—and cut back any direct investment. But the trend in many markets is clear. Direct property investments may be expected to rise from something between 5 and 15 per cent of fund assets at present to something nearer a quarter. In certain cases in Britain the quarter level has already been passed.

This world trend toward long-term real estate investment is, in part, a comment on the recent performance of other possible investment avenues. But it is also a reflection of growing uncertainty about not just the performance, but the life expectancy of government stock, corporate bonds or any form of equity in industrial or commercial companies.

Money managers, catering for the needs of pensioners in a half century's time, express a growing belief that a portion of their funds should be in the sort of properties which, should currencies fail or the largest industrial enterprises fall, represent some measure of value in whatever system emerges after the crash. It is not a fool-proof philosophy. Buildings become antiquated. It is apparently possible to say with complete conviction that some of the condominium blocks financed by real estate investment trusts in Florida only a few years ago will never be occupied. They will presumably one day be blown up and something more suitable built instead. But the best properties do last—a major bank's headquarters building might last longer as an investment than shares in the bank itself. The best shopping locations will almost certainly outlast a fair proportion of the retail chains now trading in them.

This philosophy accounts for more institutional investment in property than is perhaps sometimes realised. Allied to the good record of asset protection which the best buildings and land have shown against equity or fixed-interest investments, the attractions look likely to remain in an era of greater restraint on corporate profits and distributions and growing turmoil in money markets.

The pace of the movement into direct investments in property is chiefly influenced by tax considerations with North America, the best example of



La Cité, a \$110m. office, hotel, shopping and residential complex in Montreal to which the Post Office Staff Superannuation Fund has made a \$16m. loan, with a participation in rents, is being completed at a bad time for the Montreal market, though the office space is three-quarters let.

Although the Canadian market is fairly stagnant, there is enthusiasm for new developments, and investment trusts are in good health. All the indications are that although the Quebec problem is causing some concern, competition for prime properties is likely to increase.

Canada

markets where the exemptions enjoyed by pension funds are less significant when weighed against the personal tax shelters available by depreciating what are usually appreciating assets.

Even so, the trend in the U.S. and Canada is already established and a growing emphasis on planning, with the almost inevitable consequence of reduced zoning for commercial buildings, is reinforcing the value of prime existing locations.

In part allied to the more stringent planning controls which local and national governments impose is a more populist movement in many of the developed countries, against excessive redevelopment. Its influence, with the environmentalists even managing to slow the pace of construction in markets with a strong demand like California, must also favour the value of existing property. This attitude is perhaps one factor in the anti-developer spirit which has been endorsed by governments of widely different political colour.

Britain is, unfortunately, the best example of a country where the combination of tight planning has reduced the supply of new space, created an inflated value for the trickle of new developments and hence created fortunes which have offended even a Conservative government sufficiently to clamp down on property profits.

Quentin Guirdham
Property Correspondent

A PROPERTY market without a history of sudden booms usually avoids the slumps of another two years, with isolated centres. But the investment market is likely to follow a different course. First, there can be no doubt that it is not just development expertise and capital which is crossing the border to the U.S. vacant office space in several cities; development of new office space has slowed to a trickle; shopping centres of the smaller units around the anchor stores; there is an unusually high level of vacant industrial space.

But institutions are still providing mortgages to those sound developers who are starting new schemes. There have been no public company failures, and few enough private ones. The Canadian-based real estate investment trusts are in relatively good health.

It looks as if Canada, which never saw boom conditions equivalent to 1974-75 or 1970-73, in the U.S., will equally avoid any bad fall in property confidence. Many fingers are being kept firmly crossed at present, for there are plenty of problems—several experts consider the market to be in the same state as Britain's two years ago—but the cautious lending policies of the Canadian banks and insurance companies have probably cushioned developers from the worst excesses.

What serious over-building there has been is not a country-wide phenomenon. Toronto has an estimated 5m. square feet of office space vacant, 2m. square feet of it in the downtown financial districts, an overhang likely to take the rest of the decade to absorb. Winnipeg is badly overbuilt, and so is Vancouver with around 1.8m. square feet vacant against a take-up of around 500,000 square feet in the best recent years.

But Calgary and Edmonton, while there is something over 2m. square feet vacant between the two of them, are lively markets where the better space is now letting quickly—Winnipeg's big lettings in Calgary and the continuing success there of Hammerson's Bow Valley Square complex. In a quite different way, Montreal, while anything but a buoyant market, is not yet the scene of many property disasters. Office development there has been slowing down for some years and there is probably not more than 1m. square feet vacant at present.

In retailing, the enormous profits made on the early shopping centres may never be repeated. But even in today's economic difficulties, the first phase of the Eaton Centre in Toronto, probably the largest development of its sort going on in the world, is trading above target after three months. Whether it can pay its way will take years to prove, but the novelty of this architecturally brilliant scheme, an attempt to bring the theory of suburban shopping centres back to the city centre, looks like assuring it a brisk start to its trading life. It is the small shopping malls beneath the major office developments in the city centres which at present are bothering some property managers.

Short of further evidence that the Parti Québécois could really split Canada, the outlook for

retreat from the Canadian market by British companies. Capital and Counties' disastrous investment and subsequent sale of Abbey Glen Property of Toronto was one of that group's worst overseas problems; English Property Corporation's disinvestment in Trizec was a much shrewder deal and the closer involvement of the Bronfmans, through Edger Investments, is seen in Canada as a valuable prop for the group, whose earnings record compares unfavourably with that of the other large quoted property group, Cadillac Fairview (controlled by the other side of the Bronfman family), and which is more exposed to any downturn in values in Quebec. In contrast with these cuts in British investment in Canada, Hammerson started its first new development in three years, a 110,000 square feet office block.

How much further foreign owned groups will be prepared to trust in Canada's future is difficult to answer until the Quebec question has been disposed of. Montreal, as it happens, has always been a favourite city for foreign property investors, and Fir Quebec Corporation, which is virtually the only office scheme going ahead there at the moment, significantly has Spanish partners in one of its and Italian ones in the other. It appears to be finding tenants for these schemes, in other Montreal buildings there is a slow but steady flow of tenants from companies leaving the province, or cutting their representation there. There were even two vacant floors in Trizec's Place V. Marie, an unheard of posit for the city's prime buildings.

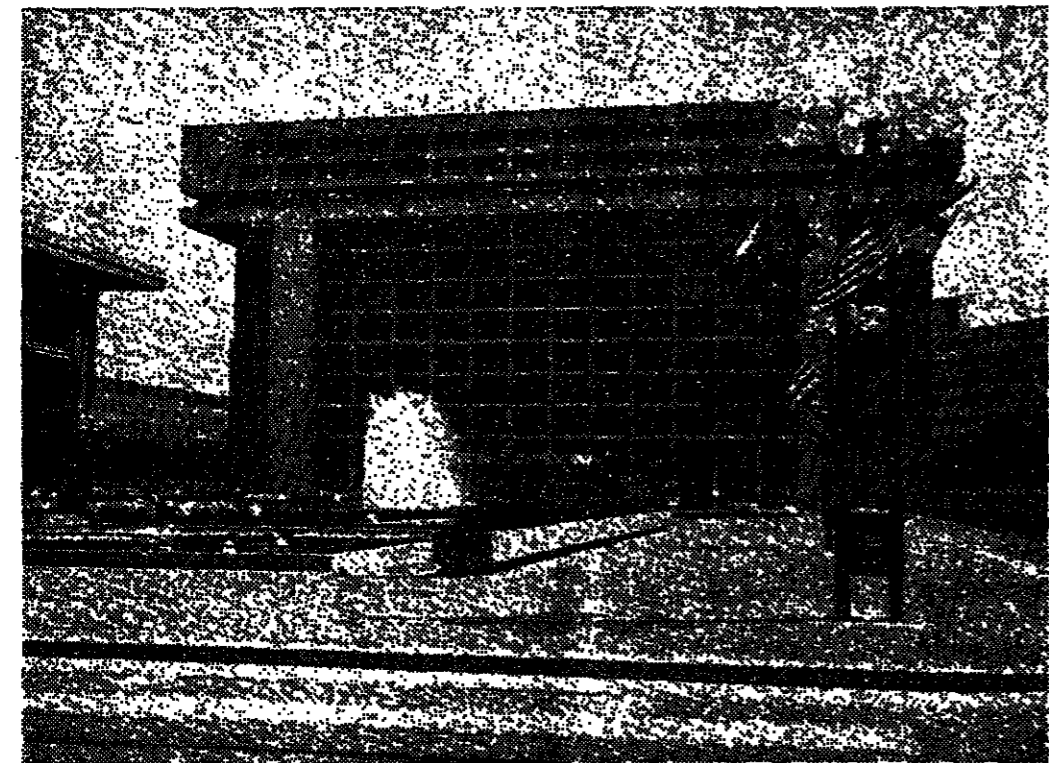
These are even, on present investment plans for the next few years, embarrassed by current restrictions on property investment. Even so, they were behind the lobby to raise limits which, providing the amendments are passed, will establish a new ceiling around 15 per cent. And as the companies gradually push the level of property investment past 10 per cent, the mix will be predominantly commercial.

Competition

The life companies appear as disinterested with residential investments as in other countries with growing rent control; while on the lending side, the banks and trust companies have taken over most of the single family dwellings business. In short, with the industrial equity market showing little immediate promise, the competition for prime property investments is likely to increase.

The topical example of this is the negotiation between MEPC and Canadian Properties and the group of pension funds represented by Morguard Trust Company, to buy up the British parent MEPC's 65 per cent stake. A bid for the remaining shares at the same price of \$13.60 a share would follow. MEPC Canadian has a solid, well-spread portfolio, with a book value in the Canadian accounts of \$171m. (\$95m.), 10 per cent of it in Quebec and strong representation in Toronto, Etobicoke and Vancouver. Since it was known that the parent Board was prepared to negotiate, several Canadian companies have studied the company, but there seems little doubt that the pension funds can pay the best price.

There is no binding agreement as yet, and Toronto Stock Exchange reaction initially appeared doubtful if the deal would go through. But around three months is given as the likely period to determine tax rulings—Morguard presumably wanting to amalgamate MEPC Canadian into a "CS" tax free company—and other conditions. Should the deal go through, then MEPC would continue a



The 2m. sq. ft. L'Enfant Plaza office, hotel and shopping complex in Washington, the first investment in U.S. property of the Electricity Supply Industry's pension funds. The funds' interest is in a \$10m. loan to the owning company, expected to lead to an equity stake later.

U.S. property appears to be over the hump, and heading for recovery. But the emphasis in prime city areas is likely to be on rental rather than development in the near future, and it looks as though the investment funds will be directing their attentions towards established and attractive properties.

The United States

WOULD YOU rather own nine New York City office blocks, two of them admitted to be well past their prime and not covering their costs, the rest of them fair buildings, with some good names among the tenants, but all in a property market which has only just bottomed out from a long recession; or would you like 80,000 acres of Orange County, California, only a tenth of it so far developed, with approved plans for a city of 400,000 people, industry and commerce, to be managed by a proven development team and with odd other goodies like a 101,000-acre ranch in Montana thrown into the deal?

The U.S. property market has just witnessed these two sales, and has ended up putting almost the same gross value, \$350m., on both prospects. Between them, they illustrate why even sceptical observers, accustomed to the regular swings in the U.S. property development cycle, think that the worst is over for its real estate industry, even if many bankers, insurance men and developers will be living with the consequences of the post-1973 slump for years to come. The revival of the economy is, once again, papering over the cracks of a boom which went too far.

The New York sale was from the Uris Buildings portfolio owned by National Kinney Corporation, in turn owned 47 per cent by Warner Communications. The roots of the Uris problem went back to the curious auction of 1973 when it looked as if British Land, with the backing of National Westminster Bank, would buy up

these apparently prime pieces of New York real estate. Since British developers were riding high, and being forced to look for their foreign excursions outside Europe because prices had gone too high there, while most Americans had long before felt the draught in the New York office market, it looked as if British Land would succeed in its bid.

At the last moment it was gobbled by National Kinney, and most observers have regarded that as a blessing for British Land, even if there is a counter argument that the strength of the pound at the time, the long-term finance lined up for the purchase of Uris, the different debt and tax structures of British companies and the equity holding which National Westminster was to take as part of the deal would have provided a long-term bonanza for British Land. In any event National Kinney won the day and it is the U.S. group which had to see out the bad years.

A willing seller of most of the Uris assets for most of the time, it finally clinched a deal in March this year for the nine New York blocks with Olympia and York Developments of Toronto, a private company which has grown rapidly in Canada under the astute management of the Reichmann family. Have the Reichmanns got their timing right again, buying into New York on the turn of the market—the housing market there, a fair indicator for the commercial one, started reviving last year?

The loss to National Kinney is around \$25m., before possible tax benefits, and the Reich-

manns have had to put down cash—coincidentally they are negotiating some sales in Toronto—of \$50m., while inheriting mortgages of \$300m. The buildings include the IIT and American Brands buildings on Park Avenue, the Harper and Row building on East 53rd Street, and the J.C. Penney headquarters on Sixth Avenue, on which Penney has an option to buy. Kinney has stated that six of the nine were sound investments, major contributors to its cash flow.

Recovery

Following the sale of another Uris building, 1633 Broadway, to the German Otto Versand mail order concern, after banks had foreclosed on the \$62m. construction loan on the block, is it only the foreigners who believe in New York's recovery? Not really, for Manufacturers Hanover, Equitable Life and Prudential of America are among the bigger names who have completed or are negotiating major property purchases in the city. The light of company headquarters staff appears to have eased, and there are even some major moves back. The final buildings left over from the early 1970s building boom are being completed—some, like the Citicorp Center, very successfully and little construction will be started again until rent levels start to reflect new building costs. So the balance of supply and demand ought to be returning, even if there is still over 6m. square feet of space in Manhattan which has never been occupied.

So the York and Olympia purchase represents a belief in the

value of existing office space, even if not all of it is prime, against a background of a long pause in construction of new space and increasingly stringent planning controls. Accustomed to the constant replacement of buildings, and continual over-building during boom periods, U.S. investors must now consider that some centres like New York will see few additions to the stock of prime space from now on, and given reasonable tenant demand, a consequent real growth in rents which has often been absent.

It is a concept of values which is totally different to that which is apparent in the rapidly expanding cities like Houston, or to the almost infinite projections of earnings which drove the price of Irving Company, the owner of the 80,000 Californian acres, from \$200m. to \$337.4m. over two years, ending last week in a victory for the Taubman-Alten-Irvine group of private investors, including Henry Ford II. Again there was a significant foreign bidder, Cadillac Fairview of Canada, but it was the Mobil oil company's property subsidiary which was finally the under-bidder.

Perhaps, significantly, what Mr. A. Alfred Taubman, a major developer of shopping centres, and his associates were buying was not just the Californian acres but an experienced team of residential planners and managers, who were well used to phasing a housing programme to produce rising profits even in the poor years (the last two have been excellent in the Californian housing market). For while many of the losses

of the REITs and other investors in the slump were due to overestimating office or retail space demand, the worst losses have been seen in the residential sector, the REIT loans on condominiums in the sun or the insurance company loans on inner city housing which went sour. Where the banks went wrong on REIT and mortgage company loans, with Chase Manhattan still leading the field in net loan losses, was very largely in doubtful management of residential schemes. In some areas those losses are now being terminated, but at a price: the salesmen who have come in to sell off half-finished condominiums first need the money to finish the development. As an example, Flagship Banks had \$5.4m. loaned on a condominium development in Miami Beach, but has been willing to sell it for \$2.5m. and provide loans of over \$6m. to complete the buildings.

Sales in many of the condominium markets are, at reduced prices, now starting to improve. But the style of bank and mortgage lending can never be quite the same again. The commercial market in most areas will feel the effects of this quite as much as the residential. In a market as diverse as the U.S., general rules can never apply. But in the commercial market, a gradual return of development activity will be kept on a tighter rein by the growth of recourse lending and reduced levels of leverage, while more investment funds are directed to investments in established properties.

Q.G.

L. Key in 1970

INTERNATIONAL PROPERTY III

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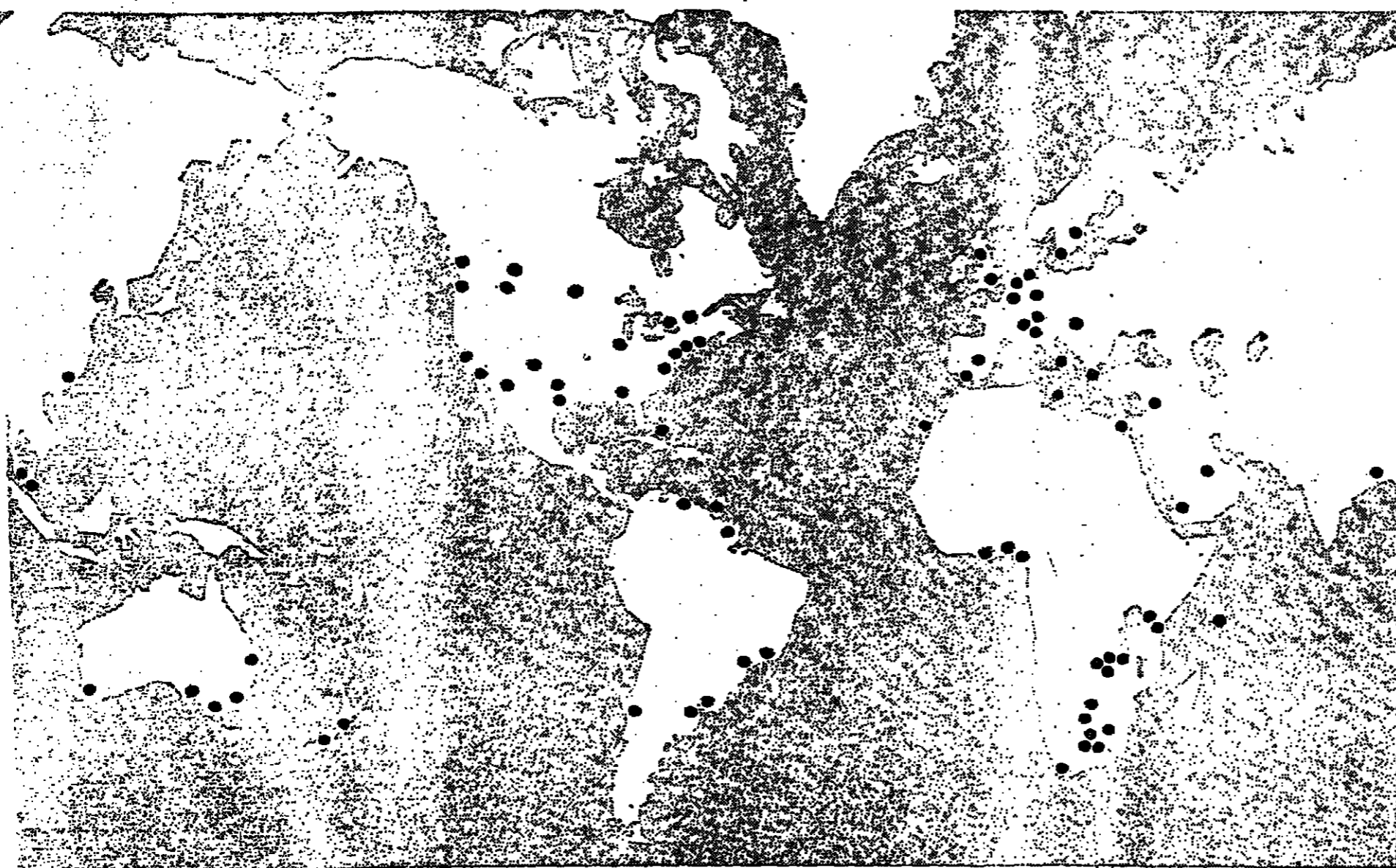
whatever influence on one ascribes to foreign investment, there is no doubt that it is running at a level. To European holders...

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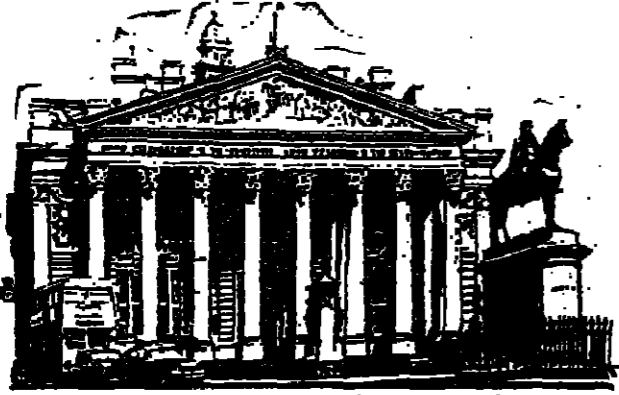
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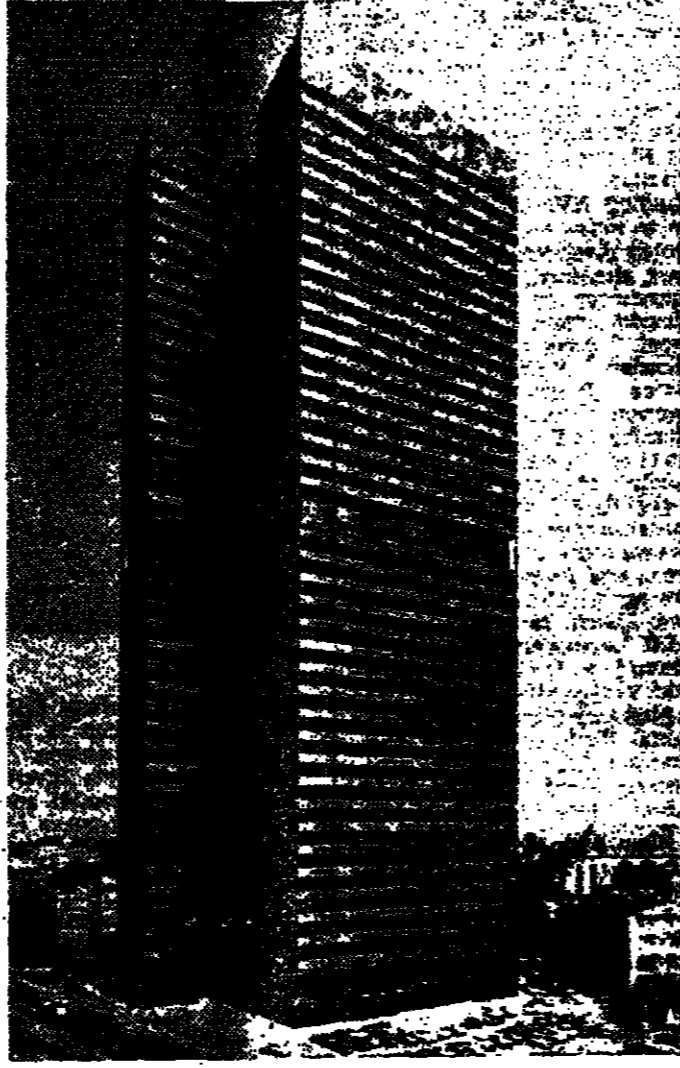
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The level of yields from investment in property in West Germany are not such as to attract many outsiders at present. British involvement in the market has fallen away dramatically from the high level of a few years ago.

West Germany



Once in danger of becoming the Centre Point of West Germany's banking capital, the Selmi Tower in Frankfurt has gradually attracted more tenants over the last year. The American research group Nielson took 6,600 sq. m. late last year and Bank of America recently leased 2,200 sq. m.

DESPITE EXTERNAL pressures for a more expansionist economic policy, the West Germans, with their fear of inflation, have settled for a very conservative growth rate. This has been reflected in the country's property market, with the overall letting markets being fairly slow—particularly in Frankfurt and Munich.

According to a recent report on the West German property market by estate agents St. Quintin Son and Stanley, very little of the office development carried out in Germany has been suited to the state of the market, both present and projected. They say that, as tends to be the case with the other West European property markets, the tenant is afforded a considerable choice as to the type of property available and the rents paid. In Frankfurt, for example, the oversupply of office space has created a situation where air-conditioned office space is now being offered at the same rental levels as older office property.

One of the problems facing developers of offices in Germany is their mistaken belief that there is a great demand for Grossraumbüros (open-plan). It would seem that, in fact, the German office worker prefers the privacy of individual offices. Also, according to St. Quintin Son and Stanley, there are very few prime offices in any German town which warrant air-conditioning.

Although Frankfurt is recognised as the centre of financial activity in West Germany, because of the oversupply of office space rents there tend to fluctuate. Of the main commercial centres—Düsseldorf, Frankfurt and Hamburg—the first-named has performed most consistently, with a regular demand for small-to-medium office suites at rents of around DM25 a square metre a month. In Frankfurt, on the other hand, rental levels have fluctuated between DM20 and DM30 a square metre a month. Outside the above centres,

and Munich, demand has been very slow and office users tend to be owner-occupiers. Although some British developers—Slough Estates, Mackenzie Hill and Brixton Estate—have become involved in industrial development for letting, the great majority of industrial space users in Germany prefer to develop and own their pro-

erty. The letting demand has tended to centre on small areas, where rents of between DM6 and DM7 per square metre a month are being asked.

Retailing

The one sector of the property market which seems to hold out any hope for the

developer is retailing. Rents for prime shops in Cologne, Munich and Düsseldorf are fairly high, but the markets in all three centres are characterised by the fact that there is very little movement and a shortage of new units.

However, the developers find it hard to assemble sites for new retailing schemes since ownership tends to be in the hands of private family trusts. Also, competition for available sites is considerable as the family funds tend to become involved. Because of this competition, investment yields on shop units have been driven down to about 4 per cent.

A feature of the German retailing market has been the popularity of decentralised shopping centres and hypermarkets. Strangely enough, while the demand seems to be there from prospective tenants, the developers do not seem to want to know.

British involvement in the German property market was fairly strong a couple of years ago. But many of the property companies have now decided to back out of a market where the competition is fierce and yields are the lowest in Europe. At the peak of British interest in Germany some 30 property companies/funds were investing a total of about £200m. However, since then many have either sold out or are in the process of disposing of their interests.

A few years ago, for example, Capital and Counties bought a 100,000 square feet building in Grosse Bleichen, which it planned to redevelop into a shopping centre on the lines of its very successful Victoria Centre, Nottingham. The company paid about £13m for the property and was intending to develop it at a cost of another £17m. However, the group has been savaged by its overseas borrowings and has now decided to rid itself of £15.1m. short-term debt which the Hamburg scheme has incurred.

In fact, outside industrial development, British property

companies have, in general terms, been singularly unsuccessful in Germany. Most of the running has been made by the funds. The BP pension trust has been one of the more deeply involved institutions. Its holdings in Hamburg, for instance, have been so large that there have been charges of exploitation of space users by the "British invaders." The failure appeared to be caused by the trust's purchase of the Kaufmannhaus in Grosse Bleichen back in 1974. The trust paid about £13m for the 220,000 square foot building, which at the time had about 120 different tenants. A refurbishment plan is now in operation, whereby the BP pension trust will modernise the space over the next three years and in doing so will increase the useable area to 240,000 square feet. The cost of these works is estimated at about £6.5m.

Active

Creel BV is another fund which has been fairly active in the German development market. The fund, in which Chesterfield Properties has a 25 per cent stake with Unilever pension fund holding 50 per cent, and Howard Ronson holding the balance—has been involved in the development of usually small office and shop schemes in the central areas of Cologne, Stuttgart, Frankfurt, Düsseldorf, Hamburg and Munich.

Of the developers, Slough, Brixton, Lesser Land, Berkeley Hambro and Property Security Investment Trust have all got

some kind of development progress. The majority of schemes are industrial, although BH has begun site assembly of a 300,000 square foot office shop project in Düsseldorf. The company also has a 200,000 square foot office development under construction at Ratingen, Düsseldorf.

However, it would appear that it is the British estates who have come off best in the British invasion of West Germany. The offices of Robert Ellis, Debenham Tewson & Chinnock, Jones Lang Wootton and Weatherall Green & Smith all seem to be flourishing. Originally these companies opened their offices because of the demand from U.K. clients but now they are all picking up instructions from German clients.

The best example of this change in the estate agent profile is the appointment in 1976 of Jones Lang Wootton as letting agents for the Selmi Tower in Frankfurt. Developed by Ali Selmi, an Iraqi businessman, the 41-store building had been unable to find a tenant since its completion in 1974. Only 3,000 square metres of the 41,000 square metres building had been let. Now, 11,000 square metres have been occupied.

Speculative development apart, the low level of office and shop yields is likely to discourage foreign investors from German property for some time to come—particularly with the severe competition coming from indigenous private investors as well as the banks and insurance companies.

Adam Murza

The Belgian economy has not picked up fast enough to absorb the enormous amount of surplus office space which sprung up during the property boom. Many British developers are among those still trying to dispose of commercial and office space in Brussels.

Belgium

ALTHOUGH THE letting market for both office space and warehousing/industrial seems to have improved slightly during the first half of 1977, the economy of Belgium has not improved in tandem. Whereas last October the exchange rate between sterling and the Belgian franc stood at B.Frs. 57.5 to the pound, it has now risen to B.Frs. 63.6. Nevertheless, estate agents report that the demand for space, and the number of actual lettings have increased. At the end of 1976 interest rates came down and consequently there has been a revival of interest in property investment—particularly from the institutions, both Belgian and Dutch. Most of the property on the investment market seems to be that belonging to British developers and funds who are trying to disengage themselves from overseas property bought on the back of foreign borrowings, which have caused trouble with the decline of sterling.

Over-supply

In recent months several companies have sold interests in Brussels—where the market has been badly affected over the past few years by a massive over-supply of offices. Many of the office buildings which have changed hands have been bought by owner-occupiers. One of the largest office buildings to be sold recently was the 23,000 square metre Town and Commercial office block in Avenue Louise, which was sold at public auction following T and C's collapse. The building was bought by the Belgian Government for B.Frs.668m. for its own use.

Many of the estate agents closely connected with the Brussels property market believe that the worst is over for the city's property market, after nearly four years of enormous over-supply. According to a recent Jones Lang Wootton report the total take up of office space in Brussels during 1976 amounted to around 3.2m. sq. ft.

—both lettings and sales. This compares favourably with the annual take-up of about 4m. square feet at the height of the property boom in 1973, when British developers were piling into Brussels and demand from EEC and NATO-linked users was tremendous. Although the existing space is being taken up at a reasonable rate, the Brussels Municipality says that there are another 2.6m. square feet of offices scheduled for completion during 1977 — agents Healey and Baker say that this figure is, in fact, only 1.4m. square feet. However, this total figure covers the entire Brussels area and does not reveal the geographical distribution, as far as the prime office areas are concerned.

The latest Jones Lang Wootton report reveals, for example that of the 900,000 square feet which the firm claims to have either let or sold, 360,000 square feet were in the Quartier Leopold, and another 600,000 square feet were sold during last year. The next most popular area, according to the report, was Centre Ville, where years ago agents were disposing of B.Frs.1,000 to 200,000 sq. ft. were disposed of B.Frs.1,300 a square metre. The of the decentralised areas such annual take-up of space is in as Bvd. du Souverain and Bvd. de la Woluwe added another 160,000 square feet to the total, while the Quartier Louise square metres of industrial space, vacant in the Brussels area.

From this it would appear that the letting market in the Avenue Louise area is fairly weak, and according to the city authorities another 200,000 square feet of offices are due to come on to the market during this year. A measure of the Quartier Louise's over-supply is the fact that the Town and Commercial office block of 235,000 square feet in the Avenue Louise has been unable to find a tenant for over a year. In addition, the Brixton Estate has been unable to let its 115,000 square feet office building, which has been finished since the middle of 1975. The decline in interest rates

has helped the investment market. Yields on offices now stand at around 7.5 to 8 per cent, according to Richard Ellis, for modern fully let office buildings. Although the Brussels market is showing signs of improvement, the amount of space still waiting for a tenant is enormous—and many of the empty buildings have been built by British developers. EPC have about 86,000 sq. ft. of office space on the market, in two office blocks. One of these buildings, at the Bvd du Regent, has been finished since 1975. MEPC have been troubled for some time by the 350,000 sq. ft. Manhattan Center. But the project is now 60 per cent let and letting agents Jones Lang Wootton are now a little more hopeful about being able to find more tenants.

Unchanged

On the industrial front, demand for space has remained fairly stable, with rents in the Brussels area staying relatively popular area, according to the report, was Centre Ville, where years ago agents were disposing of B.Frs.1,000 to 200,000 sq. ft. were disposed of B.Frs.1,300 a square metre. The of the decentralised areas such annual take-up of space is in as Bvd. du Souverain and Bvd. de la Woluwe added another 160,000 square feet to the total, while the Quartier Louise square metres of industrial space, vacant in the Brussels area.

As to the future of the Brussels market, stockbrokers Vickers da Costa recently published a report about the city which forecast that the take-up of office space in the city during 1977 would be in the region of 125,000 to 150,000 square metres. After 1977 the demand is expected to accelerate as the economy strengthens and it is this plus the probability that a good many of the developments planned for 1978 and 1979 will be cancelled, which leads the stockbrokers to an estimate of three to four years before the supply and demand situation in Brussels becomes balanced.

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INTERNATIONAL PROPERTY V

The French property market, and Paris in particular, has suffered from depression and slow demand in recent years. But the signs now are of revival, a trend that should continue so long as the French economy does not turn down again.

France

THE VIEW one gets of the French property market from a British side of the Channel is that the U.K. developers who got in during the early 1970s are now only too eager to bail out. To some extent that is a sweeping generalisation, because there are a number of property companies and funds who have retained sizeable stakes in, especially, Paris. The prominent deals are done by property companies caught out by the decline in the value of sterling. The most recent such transaction was the sale by Berkeley of a 19m sq ft office building to a Dutch investment sup. On the face of it the sup made a profit on the deal because the six properties in the BF book at 19m. However, with loans of £18.25m secured on the properties, and annual interest rates of £1.9m, together with effect of a declining pound, seems highly unlikely that group made anything out of the deal.

Hazards

In fact, the Berkeley Hazard Fund epitomises the hazards of British property men as they invaded Continental Europe at the beginning of this decade. When the property collapsed at the end of 1974, with the advent of the crisis, most of the British companies — and particularly those in France — were left with virtually worthless investments which had been bought with locally-borrowed money.

The Paris market, where a lot of the British started their activities in France, was particularly strong. But in the economies of the other nations went into recession in 1974, both the letting

and investment markets in France slumped dramatically. To some extent the markets have now started to revive, with an increase in both the number of lettings and sales. As far as the British have been concerned, however, most of the sales have been by companies who waited out the recession, carrying the interest costs of their local loans at enormous expense to their profit and loss accounts.

Apart from Berkeley Hambro, the Heron Corporation sold three of its properties — totalling about 280,000 square feet — at the beginning of the year. The three office buildings included Heron's Paris development of 280,000 square feet. And although the group says that the office buildings were sold at over book value, it is doubtful whether Heron recouped all the costs related to the development during the past five years.

Teesland Investments was another British firm to divest itself of property during the first half of this year. The Stockton-on-Tees-based group sold its 1,500 square metres office building at 59 Rue de l'Our for about Frs.5m. to a French institution. That disposal follows the sale of Teesland's 3,800 square metres Chilton office building for Frs.10m. last summer.

Not only have sales been on the increase of late, but the Paris letting market seems to have picked up. A few weeks ago Westmoreland Properties let 60 per cent of its Le Doublon, Courbevoie scheme. About 15,000 square metres of the 25,000 square metres office building have been let to two leading French companies. The group was also able to let its newly renovated building at 5 Avenue Hoche. The 1,800 square metres building has been

taken by the Saudi Arabian Government as its Paris embassy. Warehousing has also enjoyed an upsurge in demand in the Paris region. According to Weatheralls France, during the past three months the agents have let some 35,000 square metres of space. Apparently, enquiries for warehousing are running at about 65,000 square metres a month. As a result of this, say Weatheralls, there has been a noticeable hardening of rents, which are now averaging between Frs.100 and Frs.135 a square metre.

Demand

Although lettings appear to be evenly divided among the three main industrial areas of Paris, Weatheralls say that the strongest demand is in the Orly airport area — in the Villemaison industrial zone to the south of the city. However, both to the north-east, around the Charles de Gaulle airport and the north-west, at Argenteuil, demand has also picked up. In fact, the agents report that virtually all the available space has been let in the last-named location and it is here that the highest rents are being achieved.

However, it would seem that it is not just Paris which is beginning to enjoy a revival of the property market. The provincial market is also beginning to revive, with Marseilles leading the way. The re-opening of the Suez Canal last year had a significant effect on the port's popularity. There appear to be only about 100,000 square feet under construction in the city at the moment, although around 2m. square feet are being planned.

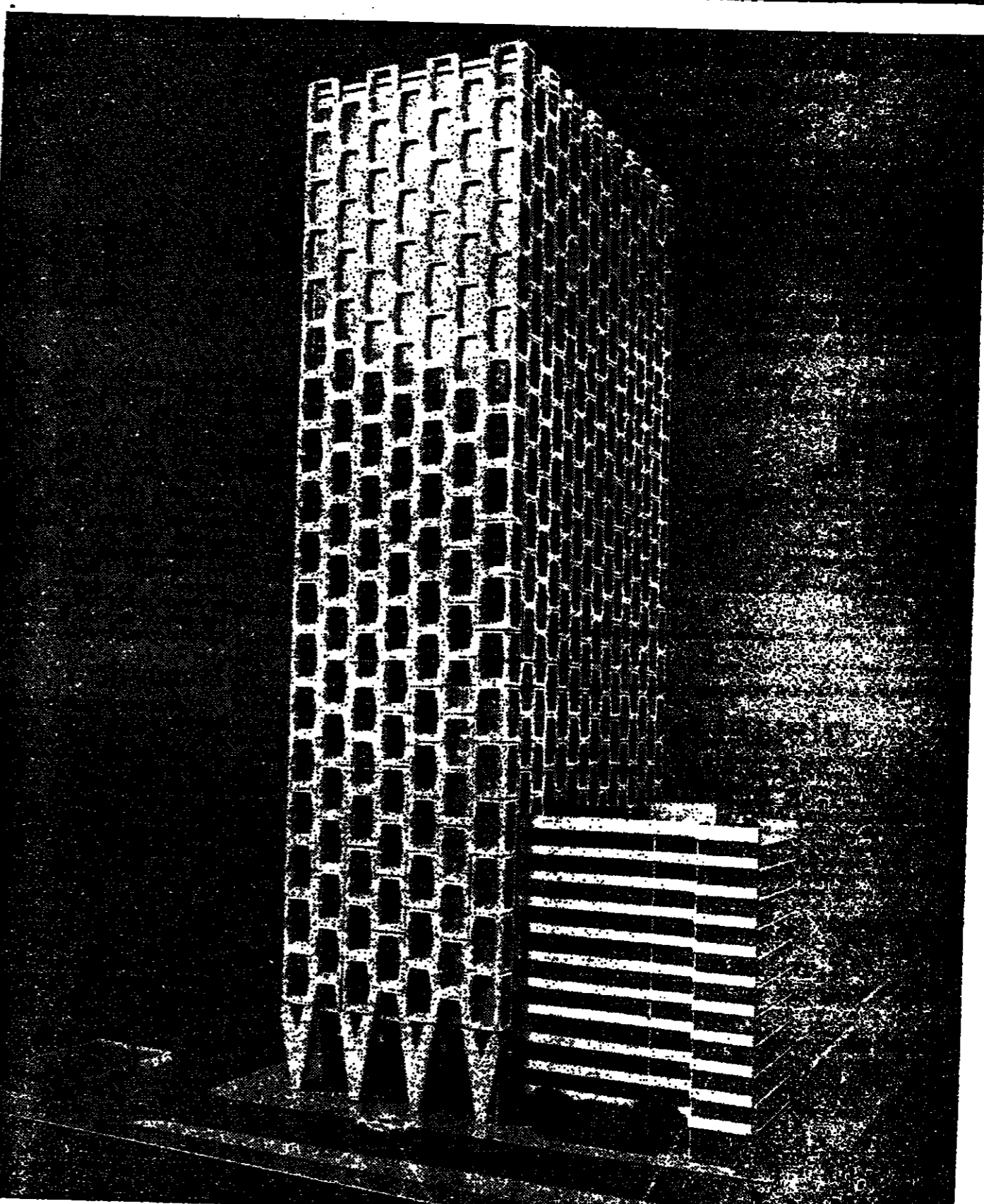
Of the other provincial cities, Lyon is about the most popular. Some 1m. square feet of office space is under construction,

with another 3m. square feet being planned. And in Bordeaux some 250,000 square feet is being built, while about 1m. square feet is in the planning stages.

So, the signs are that as France, and the industrial West climb slowly out of recession, that demand for new property is increasing — both for investment and occupation. The letting market seems stronger — both in Paris and the provinces — and the demand for investments has hardened. The extent of this improvement will be gauged on June 7 when Amalgamated Investment Property's 40,000 square metre Pariferic office building is auctioned. Weatherall Green and Smith, who are advising the liquidators of AIP believe that the reserve of Frs.100m. is low, even for an unlet building of this size, particularly as it is understood that the syndicate of bankers which financed the development advanced about Frs.200m. However, the low reserve may reflect the fact that the letting market has not fully recovered in the eastern sector of Paris and that tenants are unlikely to be attracted by a rent of anything over about about Frs.350 a square metre.

Whether the improvement in the French property climate continues for much longer remains to be seen since the country's economy has taken a slight downturn over the past few months. As a result, investment yields, which towards the end of last year had shown signs of dropping, have now started to move upwards again — with prime office yields rising from 8 1/2 per cent to around 9 per cent. And should the downturn in the economy continue the 10m. square feet of office space on the Paris market may become hard to let.

A.M.



Goodbye to all that: the Pariferic building, Paris, developed by Amalgamated Investment and Property, will be auctioned next week with a reserve of Frs.100m. Bankers, led by Credit Lyonnais, had advanced Frs.200m. on the project.

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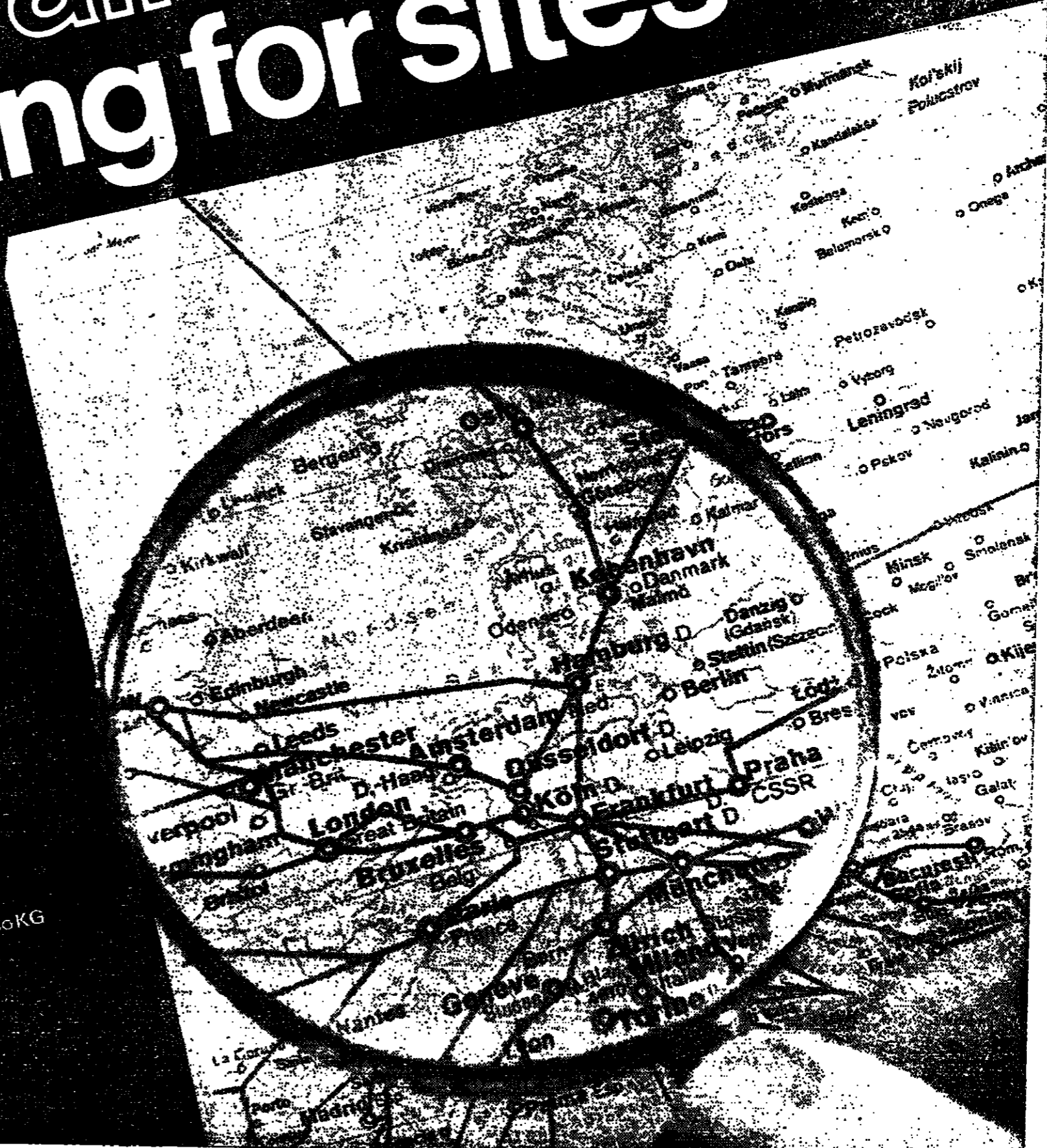
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The Dutch property market has only been mildly affected by economic recession. Demand at present is fairly healthy, while foreign interest also remains strong. In addition several Dutch companies are beginning to take a greater stake in overseas property markets.

The Netherlands

WHEREAS THE Dutch economic picture is still shrouded in uncertainty, the situation on the domestic property market has not undergone very significant changes in the past year and nor are any expected for the immediate future.

Demand is generally considered lively. The prospects for the property sector in general are, in the view of Dutch and foreign developers, agents and others, to use a typically Dutch turn of phrase, "not unattractive."

The heavy economic recession of 1975 had relatively little impact on real estate business last year. The letting market is described as balanced with an upward tendency in rentals, whereas the investment market is becoming rather active. After the interest rate peak had passed and the end of the cyclical decline became more visible last year, investment demand increased, stimulated by a range of government measures aimed at tackling rising employment. These included an extension of investment deduction possibilities and early write-offs.

Domestic

Reasons for the attacks on the guilder were partially attributable to certain domestic economic developments, particularly several far-reaching social reform proposals, as well as exaggerated reports about Holland's uncomfortable dependence on natural gas sales for its prosperity and the realisation that these would start to taper off in a few years time. So far this year, however, the guilder has kept up well, so well that the Central Bank and government have more than once tried to extinguish revaluation rumours. The foreign demand for Dutch real estate is expected to continue with the aid of the strong guilder, it is generally predicted, with the emphasis on larger projects. As far as the U.K. is concerned, however, there have been several reports of major sales in the past year.

Different

As far as the Dutch office situation is concerned in the three large cities, the common view among developers and agents is that unlike the Hague, there still tends to be over-capacity in Rotterdam and Amsterdam, particularly outside main areas of attraction. That the Hague is in a different situation is no surprise in view of its position as the seat of the national government. National and local government took at least 50 per cent. of the let or

foreign real estate markets has been increasing steadily and the companies are eyeing neighbouring countries as well as the U.S. Last month, an important group of institutional investors, mainly insurance companies and the Unilever "Progress" pension fund expanded on to the U.S. market led by Blauwhoed, the Pakhoed property arm.

Several Dutch institutional investors, with ample liquidity at their disposal, have been active abroad for some years now. The property fund Beleggingsfonds Omsroerende Goederen (BOG), which is affiliated to ABN Bank, noted in its annual report that it was planning to start investing abroad, largely by borrowing locally. "This is partly the result of the current shortage of schemes on the Dutch real estate market," it said, stressing the importance of diversifying and internationalising its portfolio. It also announced a shift in its investment policy from residential to commercial property.

Wereldhave, which, with total investments of about Fls.350m., claims to be the largest Dutch real estate investment company further internationalised its portfolio through its acquisition in the past year of all the shares of Rothschild Investment Trust, Dutch Properties Holdings (now called Wereldschild Holdings) and the takeover of 36 per cent. of the Ordinary shares of Britland II (now Britwereld). In the latter case, British Land will retain a 36 per cent. interest, while the remaining 28 per cent. will be bought by Britwereld itself in the coming ten years. This acquisition also gave Wereldhave 3,700 square metres of office space in the prime Brussels location, Avenue des Arts, while the Rothschild transaction included a Paris office building in the Rue de Courcelles where 4,500 square metres of office space are being renovated for delivery in early 1978.

As for Dutch property developers, Bredero Vast Goed (BVG), which is linked with the



The Europoint development by Town & City and the local firm Overbeck was purchased by the Municipality of Rotterdam for a price believed to be around Fls.125.7m. The sale was arranged by Jones Lang Wootton.

large Bredero construction group which is very active outside the country, said in its 1976 annual report that its articles of association had been amended to enable it to move into the German property market, having been active exclusively in Holland. BVG has not yet taken any definite decisions about moves in view of the "hesitant" situation on the German market, but it is ready to act once the property climate improves there.

As far as the Dutch office situation is concerned in the three large cities, the common view among developers and agents is that unlike the Hague, there still tends to be over-capacity in Rotterdam and Amsterdam, particularly outside main areas of attraction. That the Hague is in a different situation is no surprise in view of its position as the seat of the national government. National and local government took at least 50 per cent. of the let or

property in the Netherlands may be around Fls.600m., 40 per cent. of their peak value. The substantial Commercial Union of holdings through its subsidiary Delta-Lloyd are not included in these figures. It added that Dutch groups abroad are involved in projects with a total value on completion of between Fls.2bn. and Fls.2.5bn., although the figures have probably risen since.

As for the economic outlook in the Netherlands, the development of wages and prices constitutes an improvement on 1976. The government expects, rather optimistically, that prices will have risen by 6.5 per cent. from 8.8 per cent. the year before, while wage costs should be up 7.5 per cent. (11 per cent.). Rather optimistic too is the forecast of an 8 per cent. increase in the volume of capital expenditure, after the decline of 6.5 per cent. and 4.5 per cent. respectively in 1976 and 1975.

Michael Van Os
 Amsterdam Correspondent

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THE SOUTH AFRICAN society, the United, bought the Sand Group's 60 per cent. share of the equity at a price not disclosed but believed to be nowhere near its book cost of R3.2m. (there is a R10m. mortgage bond on the building, held by Trust Bank). The United will take five floors and rename the building.

Good quality office rents have not moved from the R4.25 per sq. metre per month level achieved in 1970. Yet the consumer price index has gone up 85 per cent. in the same period, pushing up the cost of running a building. And inflation in South Africa averaged nearly 12 per cent. last year and is now running at around 13 per cent.

There are of course some exceptions, such as Johannesburg's Carlton Centre office tower, regarded as prime desirable space. British Steel signed up space there in April at R6.02 per sq. metre per month (for five years, without escalators).

In the current investment market, the institution is of course king. So much so that there are grumbles that the institutions are "killing" the market by insisting on too-high yields.

Charles Bailie, property manager of the Old Mutual Insurance Company, dismisses this charge and points out that "only a few short years ago the common cry was that we were accepting uneconomically low yields and thus always out-bidding the private investor."

The institutions are now looking for initial yields of at least 11 per cent. plus growth for good low-risk investments. Increasingly, they are finding them in the industrial property sector. Industrial leasebacks are now the most popular mode of institutional investment in South Africa's biggest building

The market view in South Africa is that property companies are worth about a quarter of what they were six years ago. Current gloom extends to both commercial and residential sectors, although the market for industrial property presents a slightly brighter picture.

South Africa

also because there are less administrative problems. If industrial property is the brightest sector, the bleakest by far is the residential property market. This was had enough last year through economic forces—an oversupply of residential plots, insufficient mortgage finance and the high cost of insulating services—but when the R130m. Glen Airl Group went to the wall the market really touched bottom.

Unsaleable

Hundreds of investors (and many speculators too) are likely never to see the money paid to Glen Airl, nor the plots which they bought on the never-never basis.

Even those buyers who actually took possession of the freehold from Glen Airl now find themselves owning an unsaleable investment.

Some of those buyers may even have to chip in more than the contracted purchase price because Glen Airl often borrowed twice—once on the security of the land, before sale, and once on the security of the debtors' book, after sale.

The gloom has spilled over into the house market. Agents estimate that upper-bracket homes are down between 20 per cent. and 30 per cent. on the levels of two years ago. Medium-priced houses have also come down, but not so dramatically. One of the major brakes on any acceleration in house prices is the shortage of mortgage money. White South Africa is

dipping into savings to maintain its high standard of living. Those savings are usually with a building society. And the future in this area does not look attractive either. The building societies have been warning the soon the loan cake will have to be shared with Blacks.

The property market is no yet over the worst, say some market sources. Right now there are rumblings about several agencies which collect rents on behalf of landlords defaulting on their remittances to the landlord clients. That would be like up-ending the apple-cart into its side.

Any question of recovery out of this morass is naturally linked, more than ever before with the turn of political events. Things will get better in the South African property market when they get better politically—and nobody is prepared to say when that will be.

In the meantime, investment horizons have telescoped (except for the institutions which have the money to wait for 15 years and more, to 10 years and less. Since property is by nature a long-term business, the equation does not balance.

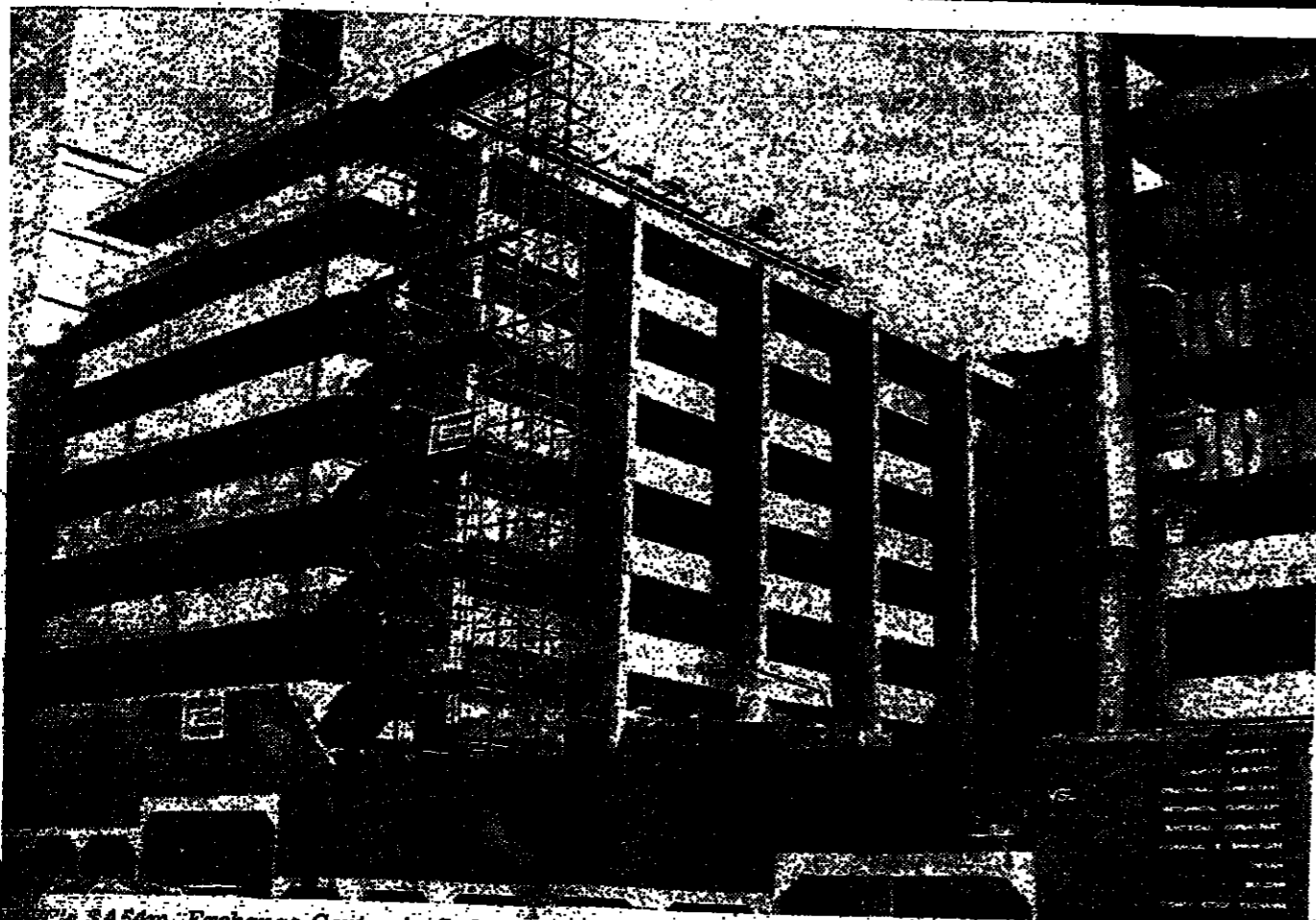
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INTERNATIONAL PROPERTY VII



A \$454m Exchange Centre in Sydney due for completion by the end of next year. More than a fifth has been pre-let to New Zealand Insurance, and to the Sydney Stock Exchange.

Opinions are divided on the short-term outlook for the Australian property market, but the balance weighs in favour of continued slump—a view of particular importance for life offices, the traditional backbone of Australian property investment.

Australia

SHOCK WAVES from the 1974 of Australia's property boom have at last hit back to the source—the lenders who financed the big spree in the early 1970s. The impact has been felt by the lenders for some time but they are only just beginning to feel the true situation. The revelations are as there are faint beginnings of an improvement in the sea empty city office space. Demand is picking up slowly for office space, but there is still a huge overhang of office accommodation which is virtually unlettable in the current market climate. However, the majority consensus is that it will be 1980 the earliest before it is cleared and probably two or three years later. Some pessimists predict the malaise will remain until around 1980. When the property boom peaked in 1974 it left in its wake two major companies—Mainline Corporation and Cambridge Credit Corporation—and a string of smaller ones. It was expected by observers that there would be more crashes by large companies because of their commitment to property and the extent of the property bust. It never occurred—mainly because the financiers, many backed by some of Australia's most respected institutions, stepped in and paid them up. It was no surprise in that the financiers themselves had a great deal to lose if there had been a collapse of property prices. The larger finance companies had plunged wholeheartedly into property, lending hundreds of millions of dollars to developers, both for office projects and for large residential land developments. In some cases the financiers went directly into development.

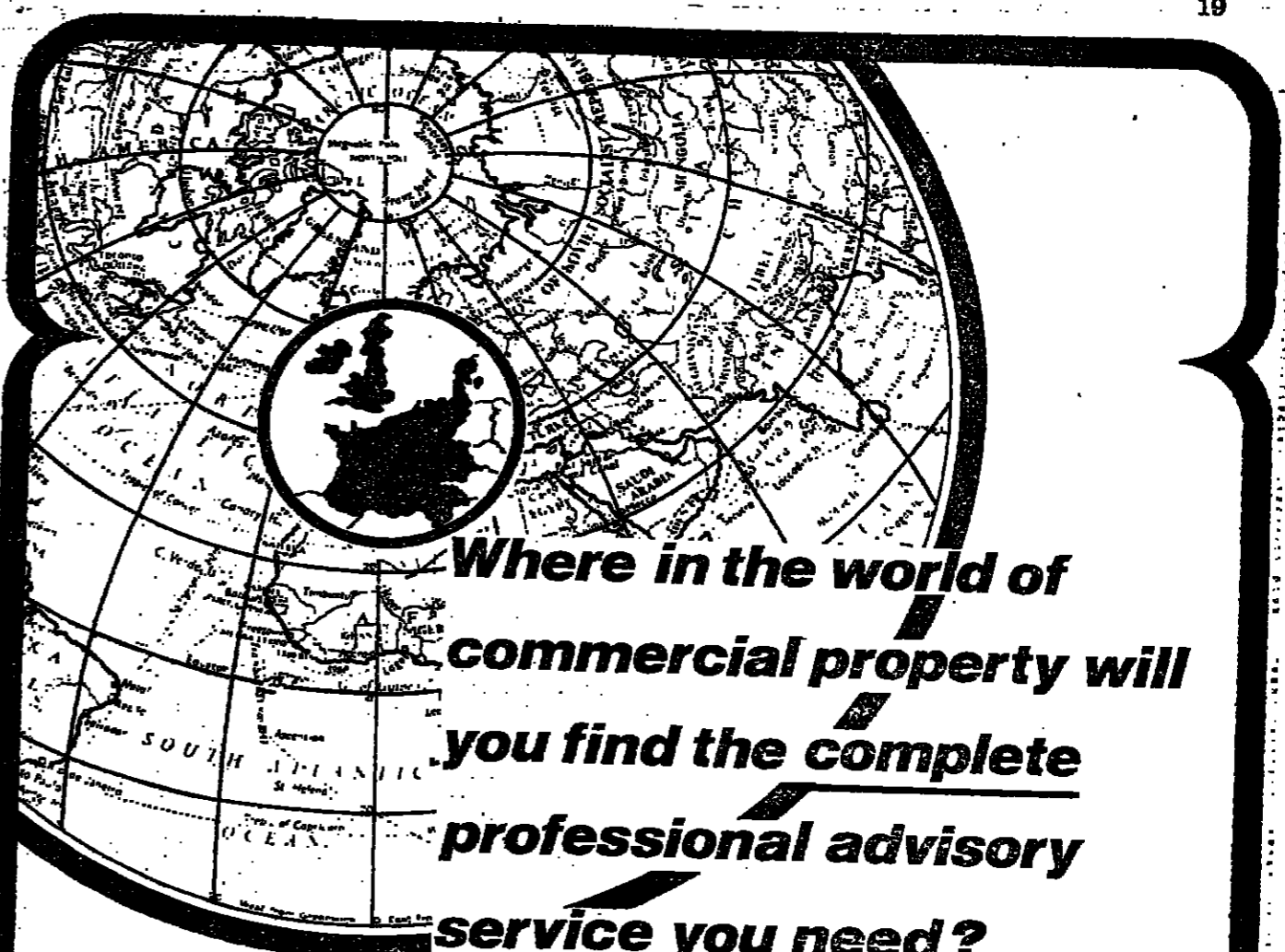
Slapse
 wholesale collapse of property companies would have the financiers to face up to losses. In many cases the financiers advanced up in excess of the value of the property which was held in trust. While most would have survived such losses, IAC (Investment Australia Corporation), then the second largest financier in the country, was only rescued by its shareholder, Citicorp, in about \$100 million. The company had pumped in about 50 per cent to enable it to control the difficult situation. The financiers were worried about write-offs against the trust deeds under which they borrow from the companies. A breach of the gearing limits and borrowing limits would have brought about a receivership. Even if it had been avoided, the financiers were concerned about the heavy losses which would have meant the bulk of the funds for lending. The property companies were to be put on a "non-recovery" basis, which meant they did not have to pay

the shares to their lowest levels for years and forced directors to make considerable disclosures in an effort to allay the fears. The many British developers who bought heavily during the property boom are being held together by the financial muscles of their backers. The Abbey Capital group, which is controlled by the Crown Agents has run up losses of more than \$17m in the past few years and is expected to lose about \$50m this year. The group recently organised a U.S.\$220m loan refinancing as part of first step towards its ultimate aim of phased withdrawal from the Australian property scene. Abbey spent more than \$200m in a shopping spree which brought it prime commercial sites in Australia's capital cities. British Land Holdings had a traumatic experience when it agreed in 1971 to buy land in Sydney, on which it would erect a \$43.5m, 22 storey office block. In 1976 the deal was cancelled because of the depressed market—but if cost British Land \$1.3m in compensation. Town and City recently decided to quit Australia and sold most of its property holdings to the Commonwealth Superannuation Board for about \$40m. British Land believes there will be growth in the market in the 1980s but will be looking at retail and industrial developments rather than commercial office space.

Development
 One coming development which will affect the property market is the investment policies of the life offices—Australia's dominant investment sources. The AMP alone has almost \$4500m each year to invest. The life offices were a heavy investor in property in the early 1960s and early 1970s, largely because they could not find big enough alternative avenues to accommodate them. The life offices are still putting large sums into property, but they are to complete existing projects, such as Collins Place. New investment in property is extremely low. The AMP, for example, will spend about \$4100m on property in the current year but it will drop to less than half this figure next year. Within about eighteen months the life offices' investment in property will fall to minimal levels and probably stay that way until the property overhang is absorbed and the market picks up. The life offices are turning their sights on natural resource developments such as coal, and probably uranium, now that the way has been cleared for development of Australia's large uranium resources. This will mean a lean time coming up for industries dependent on property, such as construction and development companies and suppliers to the building industry. It will almost certainly also mean a sharp escalation in building costs and rents once the overhang starts to clear. How soon that will be is dependent on the rate of recovery in the economy, which is now definitely showing signs of improvement.

James Forth

July 1975



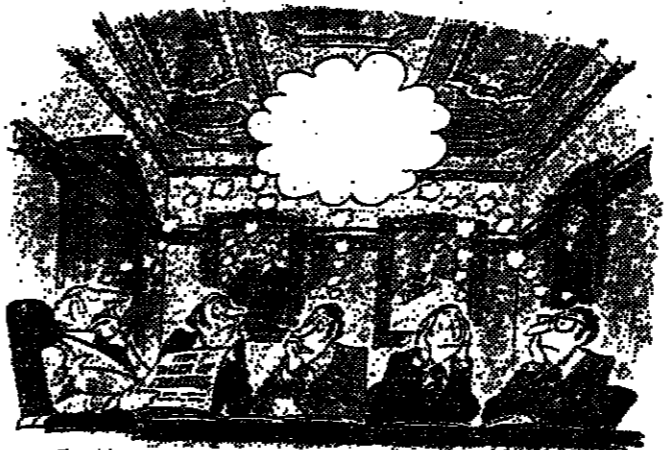
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INTERNATIONAL PROPERTY VIII

Hong Kong is still in the throes of a healthy development boom in the face of demand from both the commercial and residential sectors. Of course land resources are restricted and in great demand, and costs are still increasing, but developers have access to adequate funds, with interest rates falling and banks underlent.

Hong Kong

A LOCAL columnist complained recently that the new 34-storey Alexandra House in Hong Kong's Central district had been occupied at least four months and work has not yet begun to demolish it and to replace it with another, still higher, still newer building. That this particular building should be the subject of the satirist's pen is hardly surprising, for it is the third building on this site in 30 years.

Alexandra House is the first phase of Hong Kong Land's \$HK600m. Central redevelopment scheme, the next stage of which will be the construction of twin 45-storey office towers, together forming the sides of a 20,000 square feet pedestrian plaza.

The company's Central office portfolio has remained virtually fully let, but overall there is an over-supply, arising from an office construction boom in 1975 Cheung Kong, over the period in which completions rose 160 per cent, over the previous year's level. This over-supply may slow the movement towards the development of Wanchai and Causeway Bay as office centres, though not completely, for companies can still save 50 per cent. rents by moving out of Central (where the \$HK10 per square foot peak is likely to be the limit for the rest of the decade).

Several projects originally scheduled for completion in 1976 were delayed until this year or next. Some intended for completion this year may be put off for up to two years. In the longer term, the Mass Transit Railway Corporation's projects will start to come on stream—notably the twin-tower development in conjunction with Cheung Kong on the 60,000 square feet Admiralty Station site and the 32-storey shops and offices development, also with Cheung Kong, over the proposed Chater Station, the old

General Post Office site which the MTR bought for \$HK8,700 a square foot, considerably less than the Government originally hoped to obtain for the land.

In residential property there has been a noticeable shift in attitudes, with couples keen to buy their own flats rather than stay with their parents. A dramatic illustration of the demand was given last December when Hong Kong Land made available for sale the first nine blocks in its \$HK600m. Pokfulam project on Hong Kong Island: they were substantially oversubscribed and police had to be called to prevent crowds of potential applicants from blocking the pavement. The project will provide 2.7m. sq. ft. of accommodation in the form of 4,350 flats for middle-income buyers.

Rentals are hardening in the expatriate market, partly as a result of the influx of personnel

underground railway and the independent commission against corruption. Overall, demand for new residential flats has slowed a little in recent months, with some members of the public waiting to see the details of the government's plans to build and sell housing to middle-income families. The main market is for middle-to-low priced flats.

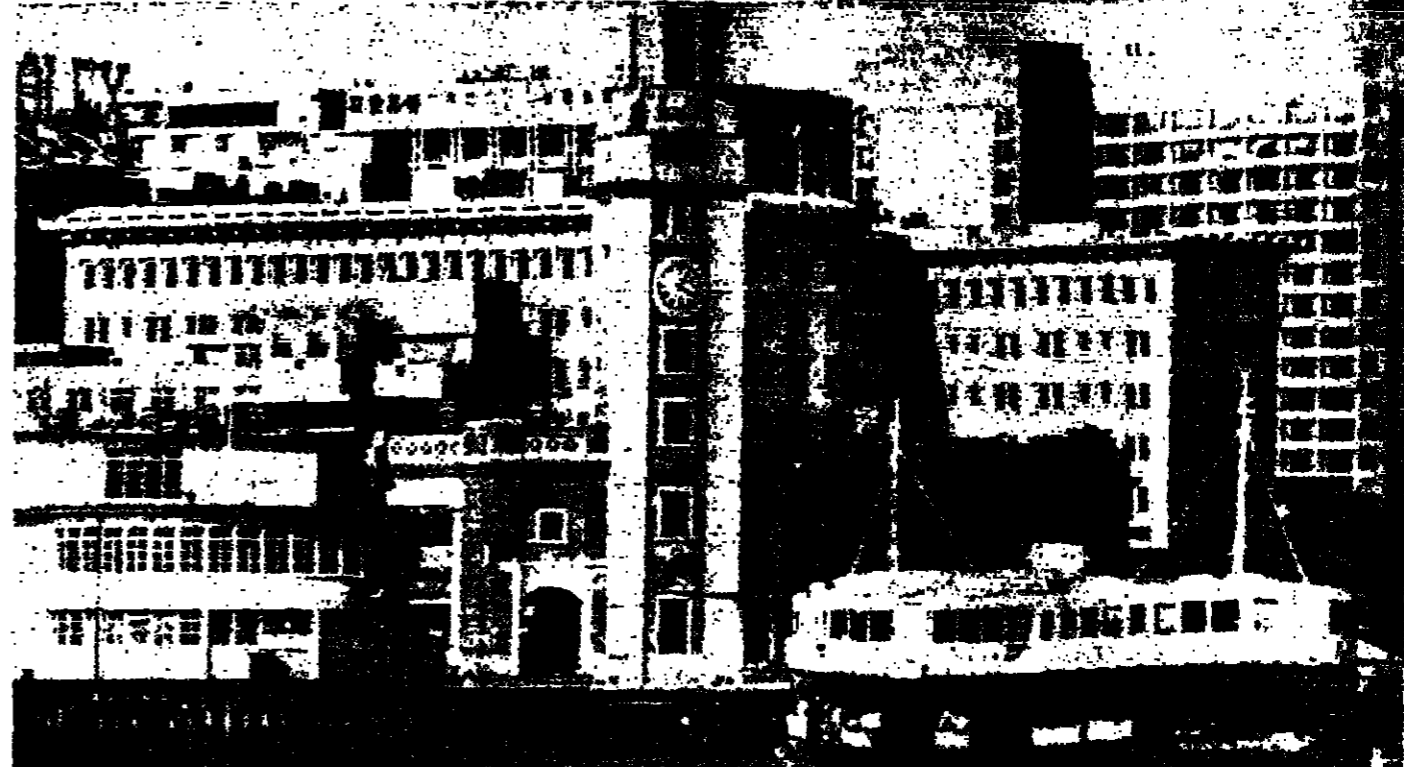
Developers

The vice-president of the Real Estate Developers Association (REDA) Fong Yun-Wah, says that many lower wage earners have sufficient savings to make the next two or three years safe for developers. The manager of Henderson Land Development, Leung Hei-Man, says sales of flats between \$HK300,000 and \$HK500,000 has been sluggish and the company's future lies in flats costing less than \$HK300,000. With interest rates falling and the banking system underlent, there is no shortage of available funds.

Equally optimistic is REDA President Henry Fok, although he cautions that the proposed increases in rates, property tax and possible introduction of aggregate yearly rates increase will influence property development and housing sales.

Some \$HK2bn. worth of flats were sold in 1976 which could rise to \$HK2.5bn. to \$HK3bn. in 1977. Fok wants more land released, arguing that as a result of the decrease in the supply of government land, the land cost of \$HK300 a square foot for a residential flat is about \$HK200 and construction cost \$HK100. Ideally, he says, land cost should be 25 per cent of the total project price to enable flats to be provided at about \$HK70,000. He points out that the proposed \$HK400m. bridge to Lantau Island could unlock a lot of land.

The controlled supply of land is a contentious issue (revenue from land sales in 1967-1976 totalled \$HK2bn. and in April the marketing director of Monsanto Far East, Geoffrey Taylor, described Hong Kong's real estate growth and profitability as "the biggest rip-off since Investors Overseas Service"). He said there was evidence that the Government had realised the inflationary folly of its own land policies and was attempt-



A problem for Hong Kong: whether to allow the demolition of the disused 60-year-old marble and red brick Kowloon-Canton railway station with its 146 feet high clocktower.

ing to reverse the situation with large areas in new towns close to industrial estates being developed as middle-class housing. But there was a danger that powerful real estate interests would prevent a major drop in land values. In Singapore, he said, residential land cost \$HK20 to \$HK40 a square foot and industrial land cost \$HK8. In Hong Kong, the Government regarded \$HK45 a square foot in industrial towns with restricted use as cheap.

The supply of industrial buildings is crucial to the Colony's position as a trading nation, and the Rating and Valuation Department says that 2.2m. square feet of flatted factory building came on to the market in 1975, 2.9m. square feet in 1976 and that nearly 9m. square feet is expected to be completed this year and 12m. in 1978, a figure which the Department itself describes as "startling" (nearly half of it will be in the New Territories).

As with residential property, changes have been taking place in the market, notably an increase in the area demanded from the traditional units of up to 6,000 square feet to the 10,000-12,000 square feet in Central there is no problem letting "showcase" accommodation and that over-capacity will be confined largely to secondary areas.

The three types of tenants expressing an interest in Ocean Centre are government (which has taken almost 100,000 square feet), companies already in Tsingtsui which wish to upgrade, and those in Central who realise that there is no necessity to be there. This last group could form an increasingly important feature of the property scene.

It also confirms that as obscure the dramatic developments in Hong Kong's new towns. At Tuenmun, for instance, the Public Works Department will soon begin work on a HK70m. project to create a town for 300,000 people in 1985, the first part of \$HK3.5m. development programme. Some 70 per cent of the population will be housed in public estates, leaving at least 132,000 in private accommodation ranging from high-rise developments to villas in open grounds.

Stockbrokers Joseph Sehgur forecast at the beginning of the year that 1977 would be good for property developers, with forecast completions up 85 per cent over 1976. The outlook for companies with land bank acquired during the 1974-75 recession which are currently being utilised for residential development purposes, appears particularly favourable over the next two years. After that, said the company, profitability was start to decline and the impact of a sound rental income would again become apparent.

Imbalance

The office space imbalance in Kowloon, which saw a 30 per cent vacancy rate in 1975, improved last year, but the completion of the 500,000 square feet Ocean Centre (which represents all the grade A space coming on stream in Kowloon this year) will push up the supply position again. The leasing agent, Jones Lang Wootton, says over 30 per cent of the space has been let (rents vary from \$HK5.25-\$HK7.50 a square foot) and that the encouraging response reflects the increasing buoyancy of the economy. It also confirms that as obscure the dramatic developments in Hong Kong's new towns. At Tuenmun, for instance, the Public Works Department will soon begin work on a HK70m. project to create a town for 300,000 people in 1985, the first part of \$HK3.5m. development programme. Some 70 per cent of the population will be housed in public estates, leaving at least 132,000 in private accommodation ranging from high-rise developments to villas in open grounds.

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Danny Nels

Like Hong Kong, shortage of supply means Japanese land prices are unusually high by world standards. But there are areas which have been lying idle for several years, mainly for economic reasons, and foreign developers have been increasingly active since they were allowed on to the market two years ago.

Japan

JAPAN WENT through a spectacular boom in property values during the three years up to and including 1973, when its economy was growing rapidly and plans were under way to decentralise industry from the major cities of Tokyo and Osaka.

After the oil crisis the value of land at first fell steeply, and has more recently been roughly stable. Land prices in Japan, however, are spectacularly high by world standards, reflecting the fact that Japan has the smallest amount of flat land in relation to its population of any country in the world (the total size of the country, with a population of over 110m., is somewhere between that of the U.K. and France—but 85 per cent of the land area is mountainous). As a result it remains extremely hard for ordinary people to raise enough money to buy and own houses within reasonable commuting distances of major cities. Land shortages and land values are therefore a continuous problem in Japan, though not for the time being,

a problem which appears frequently in the headlines.

The most expensive commercial land in Japan at the beginning of 1977 was valued at Yen 2.5m. (about \$5,000) per square metre while the dearest residential land, not far from the British Embassy in Central Tokyo, could have been bought for Yen 580,000 per square metre. A more normal price for housing land within the commuting distance of central Tokyo would nowadays be about Yen 70,000 per square metre. These prices have changed little during the past two years but remain prohibitively high from the point of view of the average Japanese citizen.

Unused

A major problem left over from the pre-oil crisis land boom is the existence of huge tracts of land bought for development which are lying idle for administrative or economic reasons. A recent survey by the National Chamber of Agriculture (which is interested in the problem because of its concern to maximise the availability of land for farming) estimated the total area of such undeveloped land at 378,000 hectares, or rather more than the total area of one of the suburban prefectures on the outskirts of Tokyo. A system of "designating" such land for purchase and development by local authorities has been established, but is proceeding very slowly.

Apart from the anti-social aspects of the existence of large tracts of idle land, the situation naturally also represents a problem for the developers. Holdings of land which can neither be developed

nor easily resold have been partially responsible for the financial difficulties experienced by several major Japanese companies during the past year or two. A recent example involved Japan's number eight general trading company, Kanematsu-Gosho, which was holding about \$45bn. worth of undeveloped land earlier this year, most of it acquired before the oil crisis.

Kanematsu believes that it can develop or liquidate about half of its holdings in the fairly near future but that the other half may have to be left idle for another two years or more. Examples of Kanematsu land investments which went wrong during or after the oil crisis are: a site purchased for residential development near Narita International Airport (the new airport for Tokyo) which has not been developed because the opening of the airport itself has been delayed, and a site purchased for development in connection with an oil refinery project in North Eastern Japan—undeveloped because the refinery has not been built.

The problems of Japanese trading companies and others holding large tracts of undeveloped land may grow slightly less serious in the next year or so if current plans for increasing Government public works expenditure and construction activity in general are realised. Public works expenditure covered by the national budget for 1977 is scheduled to show a 21 per cent increase over 1976 levels and a large number of starts will be made this year on small and medium-sized projects such as schools and hospitals as well as on some larger projected (or inter-

rupted) projects such as bridges and high-speed railway lines. The execution of such projects should do something to improve the climate for land development, although not enough, hopefully, to set off anything like a repetition of the pre-oil crisis boom.

Property development in Japan was liberalised to foreign investment in 1975 (prior to which foreigners could own property for letting or for personal use but not for resale). Liberalisation, in the midst of a serious recession, not surprisingly produced little effect in terms of actual foreign investment. However some overseas Chinese and Korean companies are active in the Japanese property industry and a small number of individual Western businessmen have entered the field. Among Western companies involved in Japanese property development the only significant instance as of now appears to be KK Halifax Associates, a joint venture between Pacific Architects and Engineers (PAE) of the U.S. and Jardina Matheson and Company.

Halifax's Japanese ventures to date include an office building in the Roppongi area of

Tokyo (a fashionable shopping and residential district comparable to the Sloane Sq. Chelsea area of London) and is let mainly to foreign companies. A luxury apartment block in Mitu and an office under construction in Gō (both areas of Western Tokyo slightly farther out than Roppongi).

In addition, Halifax is planning a major hotel and ping complex in Yokohama, Japan's third largest city. The company estimates that, if completed or under way, it reached a value of \$55m. and \$6m. (£12m. and £1.2m.). The company says it intends to expand at a pace and has no plans for competing with the giants. Japanese property world rationale for its presence in Japan is experience of grade property development other Asian countries. Jardina's major investment in Hong Kong was and ability to cater to the tastes of foreigners represent a small but fast growing portion of the market.

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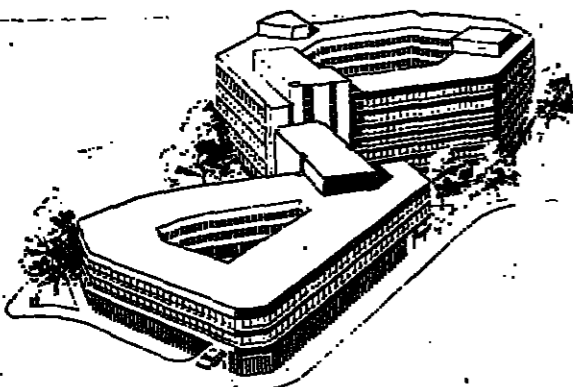
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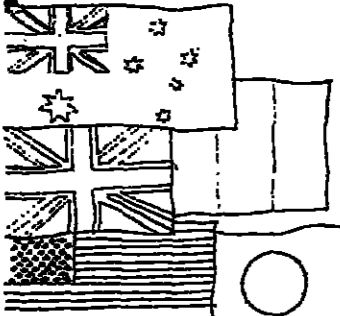
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A package for the poor

By REGINALD DALE at the North-South talks in Paris.

THE WEST goes into the final round of its dialogue with developing countries here today, reasonably confident that it has scraped together a good enough package to avert a new upheaval in relations between the world's rich and poor countries. International inferences being what they are, nothing is certain. The developing countries may well be obliged to stage manage the additional crisis in the course of the coming three days of ministerial negotiations. But an outline of a possible widening new bargain is at least in the air.

The shape of the western offer emerged fairly clearly in talks at official level here during the past month. It is not likely to be substantially improved, other than in presentational terms. If by Wednesday it has been accepted, however grudgingly, by the developing nations, the western countries will regard the conference as having been at least modestly successful. The broader league between "north" and "south" could then continue in a more permanent international organisations with a series of guidelines. The next would have once again demonstrated that it is co-operation with the free world, not the Communist bloc that offers the Third World its hope of development.

The Conference on International Economic Co-operation (IC), to give the Paris talks its official title, was never intended to solve all the developing world's problems. In the first place, the talks here attended by only 27 nations are developing and eight industrialised (with the

more sympathetic to their needs than its predecessor. It was clear from the very beginning that the West was not going to accept all of the major demands of the 19, notably those for the indexing of oil and raw material prices to the price of manufactures, and for generalised debt relief. Nor is there any prospect of the fundamental differences between the two sides on these points being resolved in the next three days, although the demands remain officially on the table. But the last few weeks have shown some movement from the industrialised countries. The eight are now offering a firm commitment that there "should be" a Common Fund to stabilise commodity prices, a commitment that the U.S. was unable to accept at the Conference in Geneva only two months ago. This was promised by a proposal to study plans for the world-wide stabilisation of the earnings of commodity exporters along the lines of a scheme already operated under the EEC's Lomé convention.

The end is running almost as late as the beginning. The final ministerial session, scheduled for last December, had to be postponed when it became clear that no meaningful agreement could be reached in time. Rather than wind up the talks in the sort of atmosphere that would make inevitable a return to confrontation in international relations, the 19 developing countries chose to allow a few more months for the Carter Administration to settle in. They were convinced, with some justification, as it turned out, that the new U.S. regime would be considerably

OPEC

To cope with the financial problems of the poorest countries, the eight industrialised countries represented in Paris would together put up \$1bn. for emergency relief and ask for the other industrialised countries, the oil producers, and the East Europeans to add to it. The East Europeans are extremely unlikely to do so, but the eight believe the OPEC countries will be obliged to participate, and commitments have already been made by smaller countries like Norway.

The eight were still trying to finalise the details of their plan over the week-end. Washington has nibbled at the \$375m American contribution that the EEC is asking for to match its own, and the U.S. would prefer to make the money available bilaterally rather than through a multilateral operation. But the U.S. has made clear that it will support the special action plan if it formed part of a successful conclusion to the conference. By this Washington means that the 19 should in return keep their demands for wide scale moratorium and re-scheduling of debts.

The official position of the 19 is that generalised debt relief remains one of the key issues to be decided in Paris. Although many of the richer developing countries, particularly in Latin America, are deeply concerned that generalised relief would severely damage their own creditworthiness, they have so far maintained solidarity with the countries, like India, that are pressing the point most strongly. In debt, as on most other problems on the agenda here, the 19 are acutely conscious that they cannot abandon positions adopted by the main body of developing nations in the so-called Group of 77, without risking charges of having sold out to the rich countries behind the others' backs.

The 19 are also likely to argue that the \$1bn. is pretty small beer. A Jamaican-inspired paper submitted to the conference recently proposed that \$4bn. should be provided merely to develop energy resources in the developing countries. To this western officials reply that \$1bn. plus is not bad in relation to the present Official Development Assistance (ODA) total of \$14bn. They go on to point out that their offer also includes a commitment to increase ODA "effectively and substantially" and a new jointly sponsored U.S.-EEC formula for coping with serious external payments problems that goes a long way to meet the developing countries' needs.

The new formula would involve a greater role for international institutions, almost certainly in practice the World Bank, where countries could see financial problems looming ahead, and relief operations would start much earlier.



The co-chairmen of the conference: Mr. Allan J. MacSachan, of Canada (left), and Dr. Manuel Perez Guerrero, of Venezuela.

rest of the conference is wound up; guaranteed access to supplies of raw materials—that is, no embargoes; and protection of their investments in Latin America. The western countries argue that continuing energy consultations are justified as no other international forum exists for them. But to the 19 this looks a little like the original sort of arrangement they rejected when a conference was being set up two years ago, and they may well try to put a high price on their agreement. The issue has not yet been fully broached at official level.

On access to raw materials, the eight are inhibited by a major difference of interest within their own ranks. Canada and Australia, whose support is needed, do not see why they should give the other industrialised countries guaranteed access to their own commodities without a quid pro quo. They say it should be a suggestion calculated to de-light Brussels, Paris or Washington. The main problem on investment protection remains the resistance of the developing countries, especially the Latin Americans, to the proposals of the Eight for arbitration in the event of disputes. What the 19 have to decide in the next three days is whether all this is enough. In their continuing efforts to push ahead to a New International Economic Order the developing countries have by now become well used to seeing international conferences end without the acceptance of their major demands. They then have to make up their minds whether to take what is offered and try for more next time, or to give up and return to a path of confrontation. So far they have opted for the former—and the chances may be that they will do so again—even if it is to the accompaniment of strong expressions of disappointment. A failure of the talks could have serious consequences for both sides. With the OPEC Oil Ministers due to meet again in just over a month it would be almost certainly strengthen the rest of the Third World.

Letters to the Editor

Talking to the unions

At Hon. James Prior, MP. —With Phase III doubt-ridden and the Social Credit visibly collapsing, it is clear that there should be a debate on the future of the country. The prospect for pay-ment in the coming his and years and about the of trade unions in an temporary society. Hence I am grateful to Mr. Samuel Brittan for the prominence which he has given to my own proposals and those about to be published in the CBI.

I have not yet seen the CBI's report and so cannot comment on them, but I was surprised at the tendency to link up similarities between their position and my own way of doing things. But even if there were some risk attached to bringing union leaders into discussions based on a broadly acceptable and widely publicised report, surely this is a much greater risk if it is not done. For then the danger is that union hard-liners will either choose to ignore the wider implications of pay settlements or allow themselves to be convinced that excessive pay claims would actually be beneficial because they would promote relations. One point that must be appreciated is that these are modest proposals which will not bring about great change overnight. The plan is only presented in outline so that it can develop gradually as these talking part may wish. It is not put forward as any kind of "solution", nor as a statutory incomes policy by another name, nor yet as a new Social Contract, but solely as what I hope may be a useful contribution to an important debate.

I trust that your readers will recognise that this is not some form of "soft corporate state", but simply common-sense. James Prior, House of Commons, S.W.1.

making. Most of the leaders of the major trade unions meet at least once a month at the TUC General Council and know pretty well the position and the implications for pay-relations; a quick glance at the Financial Times would in any event provide them with the necessary information. Nor are they entirely unaware of the effects that their joint actions can have on the economy, as is clear from the TUC Annual Economic Review.

I reject the view that reinforcing union leaders' knowledge of their position in the economy relative to other groups — and incidentally helping to increase public awareness of this — will somehow lead to a Gadsden rush on the part of the unions. It is mistaken to attribute wholly selfish and short-sighted motives to a movement so strongly based on the principles of mutual aid and with a consistent history of concern for others. But even if there were some risk attached to bringing union leaders into discussions based on a broadly acceptable and widely publicised report, surely this is a much greater risk if it is not done. For then the danger is that union hard-liners will either choose to ignore the wider implications of pay settlements or allow themselves to be convinced that excessive pay claims would actually be beneficial because they would promote relations. One point that must be appreciated is that these are modest proposals which will not bring about great change overnight. The plan is only presented in outline so that it can develop gradually as these talking part may wish. It is not put forward as any kind of "solution", nor as a statutory incomes policy by another name, nor yet as a new Social Contract, but solely as what I hope may be a useful contribution to an important debate.

Office functions. This would give the government effective control of nearly £3.4bn, while leaving the local services costing over £2.5bn. at local discretion. Government controls, of course, greater than is here suggested since the smaller figure includes housing. In that service the introduction of the new Housing Investment Plans will give overall programme control to the Department of the Environment.

Local authorities are surely able to spend £3bn. without the Treasury's macro-economic controls being upset!

The Rate Support Grant system, hardly a control mechanism, will need drastic amendment to provide a national support for national services rather than provide money based on the unreal statistical manipulations currently in vogue. Also the general grant system will no longer need a domestic element and the Government may only need to find a small equalisation grant to keep rates at their present level.

I agree with Colin Jones that the abolition of domestic rates will probably mean the death of local government. However, the idea coupled with a drastic amendment to the grant structure, is not without political attraction. H. Thornton, 133, Oxford Road, Middlesbrough.

Diplomats and foreign sales

From the Chairman, European Trade Committee, British Overseas Trade Board.

Sir—You report in your issue of May 26 the criticism of Britain's overseas diplomats by certain executives of British Leyland. This firm has difficulties enough and far be it from me to add to their problems.

However, I would like to warn against generalising from their structures of the commercial efficacy of British overseas posts. As a member of the British Overseas Trade Board and Chairman of its European Trade Committee, I would like to testify strongly to the vigorous efforts which our overseas representatives put into finding market opportunities for British goods and facilitating effective contacts with buyers and consumers in export markets.

If there is a weakness in Britain's overseas sales it lies not in the lack of effort by our diplomats, but in the failure of identifying potential business but in our inability here in Britain to seize to the full the opportunities they bring to our notice. Derek Ezra, 1, Victoria Street, S.W.1.

Manpower and education

From the Chairman, Manpower Services Commission.

Sir—You published on May 24 an interesting article by Mr. Michael Dixon entitled "Education Debate: The Crunch For Mrs. Williams."

In the course of this article a number of comments were made about the relationships between the Manpower Services Commission and the education service, and in the final paragraph you refer to the "struggle between Mrs. Williams' department and the Manpower Services Commission."

I wish to make it clear that the two organisations are cooperating closely at national and local level to tackle the many difficult problems which both face. These are mainly in the further education sector and in the transition from school to work. We have complementary interests and a common aim: to give all young people the best opportunities possible to fulfil their aspirations, and to secure for the nation a workforce educated and trained to meet our economic needs.

Education Ministers have been stressing in recent months the relevance of educational objectives to the country's economic strategy and the satisfaction of the way the education service and the Manpower Services Commission are collaborating. I am sure my colleagues in the Department of Education and Science would echo the feelings in this letter. Richard O'Brien, 168 High Holborn, W.C1.

Standards of education

From the Headmaster, Oakham School.

Sir—Michael Dixon's account of the education system's need to re-think its role for a future not least by being seen to be worth its keep" seems to me to take too little account of parental disillusionment with the system. Parental disillusionment has taken several forms. First, the diastrophic division of children into sheep and goats at age 11, which was followed by the imposition of a uniform comprehensive system, has brought parents to question by what right the State arrogates to itself the authority to decide their children's schooling. Second, although parents recognise that the State's financial support of its schools clearly entitles it to a degree of control, they have nevertheless increasingly come to feel that bureaucratic officials should not necessarily be guaranteed a stranglehold over educational policy. And, thirdly, as some schools are now self-evidently failing to deliver the educational goals, parental disillusion with the system has increased.

The particular advantages which a parent enjoys at an independent school are freedom of choice and, as a consequence, some measure of indirect control over school policy. I remain surprised that these advantages which, under a voucher system, could be equally well secured for a parent within the maintained system, are not more seriously debated. It really is high time that in a democracy we questioned more closely the State's entrenched authoritarian attitude towards the parent in presuming to direct his child towards its own bureaucratically-run educational institution. J. D. Buchanan, Chapel Close, Oakham, Rutland.

High rates of taxation

From Mr. D. G. Lindsay.

Sir—If Mr. Pardo (May 23) really wants to reduce the disincentive effect of very high rates of taxation, he should propose that the earned income of husband and wife be treated as shared equally between them. Not only would this simple act of justice at last recognise the partnership aspect of marriage; it would bring our system into line with that of France and Germany and, of course, effectively reduce the top rate of tax of a vast number of working people. Surely, too, so Marxist a reform ("From each according to his (or her) abilities") would appeal to even the most Left-wing of Mr. Pardo's new friends? D. G. Lindsay, 2, Swanston Field, Whichurch-on-Thames, Oxon.

In place of local rates

From Mr. H. Thornton.

Sir—I found Colin Jones's article on May 25 rather misleading when he referred to the abolition of domestic rates as the Chancellor to find £2bn. per annum before "he could begin to reduce the tax burden on earnings." Obviously, domestic rates are also a tax burden on earnings, and what is worse, rates appear in the price index whereas income tax does not. Since there is said to be a "need" to give central government more financial control, the simple way is surely to apply central control to local budgets relating to the national services, i.e. education and the Home for May 1976 and May 1977.

Real rates of unemployment

From the Principal, The Chelsea College of Aeronautical and Automobile Engineering.

Sir—It is common practice for official sources to quote unemployment statistics in the form of percentages for standard areas. In your May 25 edition these percentages were quoted as 13.7 for 1976 and 13.7 for 1977.

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The Liberal vote on VAT

From Nigel Lawson MP.

Sir—The very length of Mr. Pardo's further letter to you (May 23) betrays his acute embarrassment at the Liberal Party's antics over the Committee Stage of the Finance Bill.

The truth of the matter of the VAT threshold is quite simple. A Conservative new clause to raise the VAT threshold from £7,500 to £10,000 was given an unopposed Second Reading. The Government then moved an amendment to reduce the threshold to £7,500, which was carried by a majority of 21, thanks to the fact that nine Liberals voted with the Government, while the other four were absent and voted with the Conservatives and the VAT threshold would now stand at £10,000.

Mr. Pardo attempts to deny this inescapable arithmetic fact. He points out irrelevantly that a large number of Conservative Members, which made no difference whatever to the result. He then graduates from irrelevance to fantasy, and claims that the four absent Liberals were also paired with four of their Government allies. Pairing, of course, an arrangement between opponents, not allies; indeed, for this very reason, and

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Mothercare's international challenge

WITH ITS expansion into the U.S., Mothercare has set itself a new and even more important international task, says Mr. S. K. Zilka, the chairman. "This is a challenge we are approaching with enthusiasm," he tells members in his annual statement.

In July 1976 the group acquired a chain of stores in the U.S. trading as Mother To Be and Maternity Modes. The first Mothercare store opened in April this year. More have been opened since then and many more are intended for the current year.

As at March 26 committed capital expenditure stood at £2.02m (£1.82m) with £1.35m (£1.00m) for the parent company, £1,000 (nil) for Europe, and £85,000 (nil) for the U.S. A further £1.35m (£0.81m) was authorised but not committed with £577,000 (£508,000) for the parent company and £708,000 (nil) for the U.S.

As reported on May 3 sales expanded from £39.04m to £50.57m in the year to March 26 and pre-tax profits advanced from £2.52m to £11.93m. The dividend total is the maximum permitted £5.237p net (4.761p) with a further 0.105p to come if ACT is reduced to 33 per cent. A one-for-one scrip issue is also proposed.

In the U.K. seven new stores were opened during the year and four restated completed.

Total export sales were up by 99 per cent to £2.52m. A new mail order warehouse is being built at Watford to cope with the increased business.

European operations showed a considerable increase in profit and some of the most difficult markets are now accepting the group's products more readily.

A statement of source and application of funds shows a decrease in net liquid funds of £3.28m (£1.28m increase).

Meeting, Winchester House, E.C., on June 23 at 11 a.m.

Better trend at London & European

After a first half loss of £0.57m compared with £0.5m, London and European Group made a partial recovery in the second half and finished 1976 with a deficit of £166,000 against £330,000.

The loss per 23p share is shown at 2.7p (1.2p) and there is no dividend compared with a total of 1.675p.

Total income was £2.09m (£1.98m). There is a tax charge of £86,000 (credit £220,000) and extraordinary debits take £761,000 (credit £70,000) leaving a group loss of £1,019,000 (£40,000).

The Board is undertaking a complete review of the group. A reorganisation of the group office will bring considerable benefits and savings. The property division is in a strong position to continue its profit contribution to the group and the bank still has considerable liquid funds available, so together they can provide a sound base for putting the group back into a profit earning position.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividend. Official indications are not available whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's notice.

Comet Radiovision Services	June 3
Contractors of Sir's Wheat	June 3
Smart (J.) (Contractors)	June 3
Yal Roeth Explorator and Mining	June 3
Western Deep Levels	June 3
Albion	June 1
Darlington Investments	June 1
Fowler (D. and J.)	June 2
Govera European Trust	June 2
Henderson-Ketton	July 4
Hill Samuel	May 31
House Property of London	June 1
L.K. Industrial Investments	May 31
Polly Peck	June 2
Provincial Landlords	June 2
Whitney (S. S. and W.)	June 2

Marketing progress by Tootal

SIGNIFICANT PROGRESS has been made in strengthening the Tootal group's marketing and this will be increasingly reflected in future performance, say the directors in their annual report.

As reported in a full preliminary statement on May 3, sales expanded from £27.8m to £34.65m in the year to January 31, and pre-tax profits jumped from £9.12m to £17.78m.

Expenditure on fixed assets amounted to £10.4m, and a further investment of £1.2m was made in acquiring minority shareholdings in subsidiaries. The increase of 21 per cent in working capital was smaller, proportionately, than the rise in turnover and in the prices of most raw materials and a significant part of the increase resulted from the support of additional exports from the U.K., which rose to £53.1m. (1975-76 £34.1m).

Stocks at January 31, 1977, included a significant increase in the weight of raw cotton purchased at advantageous prices. Total net borrowings at the year-end were contained at £46.6m, despite an increase of £3.4m attributable to movements in exchange rates. This compares with £48.7m at the end of the previous year and takes account of the £10.7m net raised by the rights issue of Ordinary shares in June, 1976.

Meeting, 56, Oxford Street, Manchester, on June 22 at noon.

Optimism at Marshall's Universal

MR. R. L. DOUGHTY, chairman of Marshall's Universal says in his annual statement that it is reasonable to look forward to another year of record results, though he feels it would be perhaps too optimistic to anticipate percentage increases as large as those for 1976.

He adds that almost all sectors of the business show increases in the first quarter of 1977 and that the company should benefit from any acquisitions made during the year.

As reported on April 6 pre-tax profits for 1976 improved by 44.23 per cent, from £1.81m to £2.61m. The dividend is effectively lifted to 8.0442p (5.4936p).

Mr. Doughty comments that the increases were very much more than the rate of inflation and represents a substantial improvement in "real terms" to the company.

In the U.K. the company's distribution of Peugeot motor cars increased from sales of 2,026 vehicles in 1975 to 3,904 in 1976. This 26 per cent increase and the first quarter increase of 35 per cent for 1977, expresses the progress the company has made in its motor distribution business, the chairman says.

There was a considerable improvement in profitability in the paper and board distribution division, with several factors working to the company's advantage, despite trade conditions generally being far from good, he adds. An excellent year was achieved in the company's motor distribution in East Africa, with results so far, being indicative of a repeat performance.

comment

A year of recovery at Tootal is reflected in a stronger balance sheet. Net borrowings are £3m lower at £46.6m, now less than half of shareholders' funds against nearly two-thirds the year before. Admittedly a £10.7m rights issue last June has made quite a difference, but even adjusting for that net of the £3.4m increase in borrowings solely due to foreign exchange movements the underlying trend in debt shows an increase of just £5.3m, or 11 per cent. Meantime

Net liquid funds decreased by £372,000 (£200,000). Canyze Nomads, a subsidiary of West of England Trust holds 31.4 per cent of the issued Ordinary capital. Meeting, Fairfield Hall, Croydon, June 20, at noon.

LIG has reasonable start

IN HIS annual statement Mr. L. G. Butler, the chairman of Lead Industries Group says that costs have continued to rise and some areas of involvement have not had a particularly buoyant first quarter. However, there has been some overall increase in the U.K. and in many overseas operations and orders continue at an encouraging level.

As reported on April 29, pre-tax profits finished 1976 up from £12.65m to £20.58m after the first half. Turnover expanded from £192m to £251.82m.

An analysis of turnover and profit by products, excluding minority interests shows: Metals and chemicals £103.9m. (£80.4m.) and £2.4m. (£3.3m.); paint and wallpaper £96.2m. (£86m.) and £2.1m. (£2.8m.); titanium dioxide £53.5m. (£38.9m.) and £9.3m. (£2.6m.); and ceramic supplies £23.7m. (£20.7m.) and £2.2m. (£3m.). Holding company income was £0.5m (£0.2m.).

In the interim statement it was indicated that the second half would show little change compared with the first six months. In the event, profits from the subsidiaries were sufficient to produce an overall improvement.

Short-term borrowing, net of liquid resources, increased by £7.7m during the year, but remains well within available facilities, reports Mr. Butler. Capital expenditure of £7.8m was incurred during 1976 with the majority in the U.K.

Overseas, the German activities, following losses, are being reduced, but factory extensions in Italy and Spain will increase the manufacturing facilities, and the range of products some of this additional capacity will be available during 1977.

In India, arrangements were made to sell 20 per cent of the ordinary shareholding of the Group's joint company in line with the Indian Government policy of lower foreign participation and some further reductions in group shareholdings may be effected this year.

In the associated companies, the most significant capital expenditure has been the new Tioxide factory in Spain, which started production in 1976, and the commencement of extension of the chloride route plant at Greatham which will lead to a marked increase in its productive capacity.

Statement, Page 26



Sir Robert Clark, chairman of Hill Samuel, which is due to announce preliminary results to-morrow.

Leys Foundries setback

ON TURNOVER AHEAD from during the second six months, say the directors.

Leys Foundries and Engineering for the 26 weeks to end March 1977 fell from £1.97m to £1.81m. At the annual meeting in February, it was stated that profit for the first 13 weeks was almost the same as for the corresponding period, but that because of a lengthy strike at the Coventry factory of Massey-Ferguson, a major customer of the company's Lincoln foundry, trading results for the second quarter would show a substantial decline.

After tax of £422,000 against £1.03m, profit attributable emerged at £258,000 compared with £18,000. The interim dividend is unchanged at 1.05p net per 25p share, against a total last year of 3.85p from pre-tax profits of £3.1m.

At the beginning of April, normal full-time working was resumed in the malleable iron and grey iron foundries and up to the present time sales demand has been at a similar level to last year, it is stated.

The profits earned by the steel foundry and the engineering company were lower than in the first half of last year due to a reduced demand for their products and consequent fall in profit margins. This lower level of demand is expected to continue

Futura turns in £176,609

FOOTWEAR manufacturers and distributors Futura Holdings reports pre-tax profits up from £186,207 to £176,609 in 1976 on turnover of £4.12m. (£3.91m.). Tax absorbs £92,251 (£88,988) but after a net profit of £23,945 (£18,621) and maintained dividend of 2.45p net per 25p share, £27,066 (£27,154) is retained. Earnings are shown at 10.71p (10.04p) net share.

At half-year profits were £39,932 against £5,969 and in March 1976 directors forecast pre-tax profits in the region of £204,000 including gross disposal profits of £29,000. They now say the company is producing to full capacity and this trend should continue to the end of the current year. Full-year profits should be quite satisfactory," they add.

NU lifts terminal bonuses

The Norwich Union Insurance is increasing the scale of its terminal bonus in respect of all with-profit contracts which become claims by death or maturity on or after June 1. These terminal bonus rates rise with the length in force of the contract at the time of the claim and the new scale increases from 250 per £1,000 sum assured for ten years duration to a maximum of £1,000 per £1,000 sum assured for policies that have been in force for at least 45 years. The previous scale went from £20 to £850.

An example of the effect of this change can be gauged from a 25-year policy paying an annual premium of £100. The amount paid if it matures in June will be £5,188 compared with £5,232 paid out in January. The Norwich Union is the first life company to reduce the scale of its terminal bonuses.

Lon. & Lennox maintaining U.S. bias

Mr. W. R. Watson, chairman of London and Lennox Investment Trust says in his annual statement that the company's portfolio is heavily orientated towards the U.S. economy and that it intends to maintain this position until the American stockmarket more adequately reflects the underlying strength of the economy and the prospects for the next two years.

He adds that the company is not totally neglecting the U.K. with the North Sea providing a boost to the U.K. economy and signs that inflation may begin to moderate later this year. He adds that the apparently successful effort to control public spending is encouraging and the swing to reducing direct and increasing indirect taxation is most welcome.

Mr. Watson says that the board is actively considering its investment in unquoted companies. This part of the portfolio attracts relatively little comment but has consistently contributed to the company's performance. It is possible that the company will commit some additional funds to this type of investment, if the opportunities occur.

As already reported on May 20 gross revenue rose from £46,977 to £58,129 for the year ended March 31, 1977, and net revenue emerged at £202,259 against £149,183. The dividend is lifted to 2.1p (1.75p).

Commercial Union Assurance Company holds 5.5 per cent. of the share capital. London and Manchester Assurance Company, 8.7 per cent. Prudential Assurance Company, 9.8 per cent. and Refuge Assurance Company, 5.3 per cent. Meeting, 2, St. Mary Axe, E.C., on June 22, at 11.30 a.m.

plans expansion

COMPENSATION FOR nationalisation of Hawker Siddeley Group's U.K. aerospace subsidiaries is expected to exceed book amount and provide the opportunity for further development of the remaining larger part of the company's business in electrical and mechanical engineering and also in related assets in the annual report.

Control of the aerospace subsidiaries — Hawker Siddeley Aviation and Hawker Siddeley Dynamics — passed to the Government on April 28.

As reported on April 26, pre-tax profit of the group excluding U.K. aerospace subsidiaries increased from £47.5m to £73m in 1976. Profit of the U.K. Aerospace subsidiaries was ahead from £17.5m to £19.4m. The net final dividend of 7.6825p lifted the total from 13.5025p to a maximum permissible 14.625p a share.

Group sales in the U.K. excluding aerospace subsidiaries increased from £212m to £265m, direct exports from the U.K. excluding aerospace subsidiaries were up from £152m to £182m, and sales of overseas companies — excluding the sale of products of U.K. companies — advanced from £248m to £290m.

Domestic sales of the U.K. aerospace subsidiaries improved from £17m to £153m and direct exports from £12m to £112m. A breakdown of group direct exports from the U.K. shows (£m.): Europe £72 (£60), Africa £26 (£26), Middle East £77 (£67), Far East £36 (£41), Australasia £12 (£15), North America £40 (£23), South and Central America £26 (£21).

Direct exports as a percentage of the sales of U.K. companies increased from 26.7 per cent to 43.7 per cent. It is stated.

With sources of funds increasing from £69.95m to £101.82m, and their application decreasing from £30.42m to £70.87m, there was a net generation of funds of £30.15m, against an absorption of £10.5m in 1976.

Net bank balances in hand at the year-end were £14.8m against net bank overdrafts of £15.8m. Meeting, The Doncaster Hotel, Park Lane, W., on June 22 at noon.

Recovery at Allied Polymer

THE upturn in business which began late in 1976 has continued, says Mr. P. F. Atkinson, chairman of Allied Polymer Group, says in his annual statement.

By the end of March, 1977 orders in hand were over 25 per cent higher than last year and both sales and profits significantly better for the first quarter, he adds, with the company's cash flow being better than expected.

Provided that present trends continue, the chairman says that there is a good prospect that the company will conclude 1977 in a much stronger position than 1976.

As reported on May 4, taxable profits for 1976 slumped by more than half from £2.23m down to £1.01m. There is no final dividend, making the total for the year 2.2125p (4.426p).

Mr. Atkinson says that 1977 proved to be a most difficult trading year, with the depressed economic climate continuing in the U.K. and Australia. Demand for products in many of the market sectors served by the company's operating subsidiaries declined, remained static, or, as in the case of the motor industry, were beset by production stoppages through industrial unrest.

Some of the company's market sectors experienced growth in demand but, he adds, the group has adequate capital for its foreseeable needs in 1977.

Cash and bank balances decreased by £9.53m, against an increase of £1.83m, and medium-term borrowings increased by £17.4m (£22.7m).

The directors say that the loss for the year was entirely attributable to the wholesale distribution division, whose performance was affected by the depression of sterling coupled with depressed consumer markets which did not permit an increase in selling prices to cover the additional cost of imported raw materials. The situation continued into 1977, as profit margins are now in the province.

The textile division achieved the recovery anticipated despite unsettled market conditions. While the home market showed an improvement, the export market to be a difficult market in spite of the weakness of sterling.

The directors add that the amalgamation of the production subsidiaries Albion Knitwear and Sha-Ron Fabrics was completed and the benefits of this should be seen in the annual accounts. Given stable conditions, they look forward to a steady growth of this division with improved profit margins.

A good recovery is expected in 1977, with profits being contributed from all activities by the end of the year.

Inter-City £37,860 loss

After all charges, including tax relief of £107,075 against a charge of £159,940, Inter-City Investment Group incurred a loss of £57,860 for 1976 compared with a profit of £170,354.

At half-year, net profit was behind from £30,000 to £49,999. Turnover for 1976 was £6.74m. (17.87m.).

The loss per 23p share came out at 0.44p against earnings of 2p. There is no final dividend (0.5p) net.

The directors say that the loss for the year was entirely attributable to the wholesale distribution division, whose performance was affected by the depression of sterling coupled with depressed consumer markets which did not permit an increase in selling prices to cover the additional cost of imported raw materials. The situation continued into 1977, as profit margins are now in the province.

Meeting, Midland Hotel, Manchester, June 24 at noon.

Mothercare

everything for the mother-to-be and her baby... and children up to ten

FINAL RESULTS

(52 weeks to 26th March, 1977)

	1977	1976	Increase
	£'000	£'000	%
Sales (excluding V.A.T.)			
UK	70,001	53,359	31%
Europe	7,735	5,685	36%
USA	3,167	—	—
	80,903	59,044	37%
Profit before Tax			
UK	10,811	8,030	35%
Europe	1,051	495	112%
USA	84	—	—
	11,946	8,525	40%
Tax			
UK	5,825	4,176	—
Europe	538	294	—
USA	35	—	—
	6,398	4,470	—
Profit after Tax	5,548	4,055	37%
Earnings per Share	17.23p	12.60p	

*We are pleased to announce record sales and profits again.

* A final dividend of 3-414p (1976 3-104p) is recommended making a maximum allowed total for the year of 5-237p (1976 4-761p). We will propose a further payment with the following interim of 0-0525p net for each 1% of any reduction in A.C.T.

* A one-for-one scrip issue is proposed.

* The new 5-10 year old range of merchandise has been well received and sales in this age group are very encouraging.

* Exports exceeded £8.5 million, an increase over 1976 of 59%. 98% of the merchandise we sell in the UK and in Europe is UK manufactured under our own brand name.

* European operations showed a considerable increase in profit, reflecting greater acceptance of our products in the more difficult markets.

* In the USA we are trading in 110 maternity wear shops; the first Mothercare store opened April 7th and 25 or more are planned for this financial year.

* The number of stores trading at 26th March 1977 was: UK 167 (1976 160), Europe 13 (1976 14), USA 110 (1976—). Total 290 (1976 174).

* Copies of the Annual Report may be had on request to the Secretary.

Mothercare Limited

CHERRY TREE ROAD, WATFORD, HERTS, WD2 5SH
Austria - Denmark - The Netherlands - Norway
Sweden - Switzerland - United Kingdom
United States of America - West Germany

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3 years. Interest paid gross, half-yearly. Rates for deposits received no later than 10.6.77.

Terms (years)	3	4	5	6	7	8	9
Interest %	10 1/2	11	11 1/2	11 3/4	12	12 1/4	12 1/2

Rates for larger amounts on request. Deposits to, and full information from, The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-598-2011 Ext. 177). Cheques payable to "Bank of England" a/c No. FFI is the holding company for ICFC and FCI.

This year, the stage is set for real growth.

The figures speak for themselves. In a year that wasn't easy, the Tootal Group achieved a real recovery.

It's true we were helped by some upturn in the UK market and by improved trading overseas — especially in North America.

But that isn't the whole story.

We also increased our efficiency by reshaping major sections of our business.

It was these factors together which contributed to such good results and enabled us, amongst other things, to double our earnings on Ordinary Share Capital.

But that's behind us now. So what about the future?

This year, we're aiming for real growth and a further increase in the return on capital employed. We've established three clear operational priorities:

- To increase our UK activities through further improving our export performance, with the emphasis on both design and delivery.
- To support our many investments overseas — where the return on capital is generally high.
- To develop more trading links abroad through new licensing and consulting arrangements.

We believe that the strength of our UK production and technical skills will help to bring us success in these key areas and so keep the Group on the growth path.

Business this year has already got off to a good start and, with the benefits of our reorganisation — particularly the strengthening of our marketing — becoming more and more evident, we are optimistic about the future.

Our Annual Report gives the full story. If you would like a copy please write to: The Secretary, Tootal Limited, 56 Oxford St, Manchester M60 1HJ.

TOOTAL

Some of the famous names in the Tootal Group: Threads: SYLKO · STAR Home Furnishings: OSMAN · EASIFIT · WHITE MAGIC Clothing: TOOTAL · RAEL-BROOK · TRUTEX · SLIMMA Retailing: VAN ALLAN

1977/06 12/50

OVERSEAS MARKETS

EUROBONDS BY

Blue skies and empty trading desks

MARY CAMPBELL

THE DOLLAR sector of the Eurobond market were pretty quiet last week with dealers starting to drift off to the annual meeting of the Association of International Bond Dealers (AIBD) in Paris from Wednesday onwards. One should hardly expect to see much life this week either with the Whitsun holiday closing the continent to-day and London closed for the first two days of next week for the Queen's jubilee celebrations.

With Eurodollar interest rates falling back a bit, prices were reasonably stable, however. The EEC and Deutsche Bank issues are now out of the market and there should, technically, be no new offerings.

Both the EEC's two tranche issue and the Deutsche Bank warrants offering were priced on the indicated terms last week. The Deutsche Bank issue apparently remained heavily oversubscribed despite a sharp fall in the price of the shares during the offering period from DM225 when the issue was announced to DM210 (putting the premium at 3.2 per cent.) to DM207 (putting the premium at 3.7 per cent.) when it was completed.

Thursday's decline in price of the EEC issues at 99 as indicated surprised some dealers - not because they thought the discount should necessarily have been bigger but because the five year tranche was so much more in demand than the seven year tranche.

In the D-mark sector a further bout of weakness pushed the market down between quarter and half a point. Dealers are hopeful, however, that the situation will improve after the injection of liquidity into the domestic banking system by the Bundesbank takes place on June 1. The fact that the calendar for June is extremely low by recent standards - should also help.

There will apparently be no issues by supra-national institutions next month, with one planned issue of DM200m. having been postponed. Westdeutsche Landesbank has reportedly also postponed a DM150m. issue it planned to announce to-morrow until next week.

Only one new issue was launched last week into the dollar sector - for IC Industries on Friday. "IC" stands in this case not for Imperial Chemical but for Illinois Central, and one of the two main operating subsidiaries of the holding company remains the railway company. The holding company is not rated, but each of these two subsidiaries are rated single-A in the U.S. Consolidated sales are about \$1.7bn. and consolidated income about \$46m.

A purchase fund will buy up the issue price (even if this is not par). The AIBD meeting in Paris for a further two-year term will go through with its now virtually unchanged (the representative for Italy has retired and been replaced) and virtually all the changes in AIBD rules to the shift in investor preference in favour of fixed interest securities at the expense not only of equity investment but also of direct investment in industry and commerce.

A major factor behind the Eurobond market has been such a money spinner for the last couple of years. As Mr. S. Yassukovich put it in his closing address as chairman of the old Board (he is re-elected chairman of the new) "few previous Boards have had the pleasure of serving the Association during a period when general market conditions have been so positive and the prosperity of members so evident."

The AIBD membership now stands at 406 (372 a year ago), with 47 foreign applications, the pipeline now closed to 1,500 than 1,000 people descended on Paris for the meeting (including wives). To quote Mr. Yassukovich again: "What I can only term the explosion of interest on the part of the membership in attending this year's meetings, while extremely gratifying, has been more than usually informed on the physical arrangements."

Next year's meeting will be in Zurich on May 11 and May 12. The only real cloud was cast by Mr. Yassukovich himself in his keynote speech. Analysing the sources of international

liquidity behind the high level of activity in the Eurobond market he pointed particularly to the shift in investor preference in favour of fixed interest securities at the expense not only of equity investment but also of direct investment in industry and commerce.

The two main technical issues which stimulated interest at the meeting were automation and the problems caused by bonds being called or drawn in the middle of a secondary market transaction. Automation was the subject of a panel discussion at a conference which took place the day before Friday's AIBD meeting proper. No conclusions were reached - or intended to be reached - the purpose of the gathering being mainly to inform participants in the market of the various computerisation projects under way.

There were five main areas under discussion: the Monitor, the EUREX computer trading system, the AIBD system operative in the London market, the NASDAQ system which operates in the U.S., the Swiss Telcur system. Most dealers seemed to think some kind of automation was inevitable in this market. Indeed, large numbers of dealers already use the EUREX monitor. In general, however, computerisation was concentrated on two questions. One was whether a full-scale computerised trading system should be launched - is a system such as EUREX whereby buyers are matched with sellers via a computer, whether any system introduced should be restricted to intra-market trading, or whether information taking place by telephone before. The other was whether the major market makers would participate in a computerised system - they have hitherto mostly been reluctant to do so, and it is felt that without them any system would be pointless.

CURRENT INTERNATIONAL BOND ISSUES

Table with columns: Borrowers, Amount m., Maturity, Av. life years, Coupon %, Price, Lead manager, Offer yield %. Includes entries for U.S. DOLLARS, CANADIAN DOLLARS, HONG KONG DOLLARS, D-MARKS, SWISS FRANCS, YEN, SAUDI RIYALS, and C.R.V.I.

BONDBRADE INDEX

Table with columns: Bond type, May 27, May 20, High, Low. Includes Medium term, Long term, and Convertible bonds.

Indices

NEW YORK - DOW JONES

Table showing Dow Jones indices for May 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

STANDARD AND POORS

Table showing Standard and Poors indices for May 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

NEW YORK

Large table of New York stock market data including High, Low, Stock, and May 27 prices for various companies.

GERMANY

Table of German stock market data including May 27 prices for various companies like A.L.G., Allianz, BASF, Bayer, etc.

JOHANNESBURG

Table of Johannesburg stock market data including May 27 prices for Anglo American, Anglovaal, etc.

AUSTRALIA

Table of Australian stock market data including May 27 prices for BHP, Broken Hill, etc.

PARIS

Table of Paris stock market data including May 27 prices for Air France, Bouygues, etc.

AMSTERDAM

Table of Amsterdam stock market data including May 27 prices for Alcoa, Alkermat, etc.

TOKYO

Table of Tokyo stock market data including May 27 prices for Dai Nippon, Daiwa, etc.

OSLO

Table of Oslo stock market data including May 27 prices for Hordaland, Kongsberg, etc.

COPENHAGEN

Table of Copenhagen stock market data including May 27 prices for Aalborg, Carlsberg, etc.

BRUSSELS/LUXEMBOURG

Table of Brussels/Luxembourg stock market data including May 27 prices for Alfab, Alfab, etc.

SWITZERLAND

Table of Swiss stock market data including May 27 prices for Alfab, Alfab, etc.

STOCKHOLM

Table of Stockholm stock market data including May 27 prices for ASEA, ASEA, etc.

MILAN

Table of Milan stock market data including May 27 prices for AGA, AGA, etc.

TEL AVIV

Table of Tel Aviv stock market data including May 27 prices for Bank Leumi, Bank Leumi, etc.

Handwritten notes and signatures at the bottom of the page, including 'John 12/20' and other scribbles.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts with columns for Trust Name, Manager, and various performance metrics.

Table of Offshore and Overseas Funds with columns for Fund Name, Manager, and various performance metrics.

FINANCIAL TIMES STOCK INDICES

Table showing Financial Times Stock Indices for various markets and time periods.

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows and S.E. Activity for various markets.

FT—ACTUARIES INDICES

Table showing FT—Actuaries Indices for various markets.

KONG SINGAPORE

Table showing market data for Hong Kong and Singapore.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds with columns for Product Name, Provider, and various details.

CLIVE INVESTMENTS LIMITED advertisement including contact information and a list of investment products.

THARSIS

THE THARSIS SULPHUR & COPPER CO LTD

The Annual General Meeting of the Company will be held on Tuesday, 21st June, 1977 in the Hotel Lancaster, 7 rue de Berni, 75 Paris 8^{me}. The following features are from the circulated statement of the Chairman, Mr. James C. Robertson.

An official reply has recently been received from the Spanish Ministry of Industry to your Company's Proposal of July, 1975 to comply with the requirements of the Spanish Mining Law of 21st July, 1973. The Ministry of Industry has now given the authority required for the implementation of the Proposal. Work is proceeding on the detailed implementation of the Proposal. Shareholders will be kept informed and their prior approval sought in due course.

After taxation the profit for the year amounted to £608,822 compared with £151,266 in 1975. The improved results are due to the increase in the internal sales price of pyrites of 117.50 pesetas per tonne granted in April, 1976 together with the improved export tonnage which is playing an essential role in the overall results of your Company. The substantial increase in turnover of £8,108,483, in 1976 compared with £6,283,004 in 1975 was partly absorbed by the large rises in wages and cost of purchases and services which your Company had to bear. This phenomenon of course is not peculiar to Tharsis but is also affecting all companies in Spain as well as in most countries of the world.

The mines produced well during the year with no industrial stoppages. The production was geared to sales and our important stocks of mineral were maintained to meet any possible additional tonnage required by the market.

The important investment in AIPSA, in which your Company has a 45% participation, a company formed to develop a project directed at the economic recovery of the metals contained in pyrites cinders is at present making slow progress. This is mainly due to the substantial increase in the total estimated cost of the project which has led the AIPSA shareholders to seek additional participation in the capital through the Spanish Government. It has recently been the policy of the Spanish Administration to support industries where the application of advanced technology is involved by participation in projects which are required in the national interest.

Negotiations are at present in progress between the parties involved, the outcome of which is expected to be known in the near future. The sales of parcels of land in the 3rd zone commenced in the second half of 1976. Due to the general economic situation the sales were slow at the start but are now progressing satisfactorily. The Corrales Estate project is now at a stage when it is producing a substantial part of the profit as well as helping the overall cash situation of your Company.

We are now selling parcels of land which were urbanised in previous years and your Directors will decide upon further development of a new zone when it is considered opportune as plans for such development are already prepared.

In the present economic circumstances it is difficult to foresee clearly what the trading results for the current year will be. Nevertheless I am in a position to inform you of some positive factors.

A further increase of 20% in the internal sales price of pyrites was granted by the Spanish Administration with effect from mid-February. This increase will cover the additional cost of labour resulting from the social agreement signed with our workmen in January as well as the expected continued rise in the price of purchases and services.

Another favourable factor has been a further reduction in our labour force by the early retrial in November, 1976 of some 180 men with an additional 40 men retired in February, 1977. Our total labour force at present is in the region of 1,300 men.

We anticipate that our sales to the national market will be maintained or possibly slightly increased. As far as exports are concerned the contract with our Belgian customers is operating normally although we have had to sustain a minor decrease in the sales prices for 1977.

At present nothing has been sold to our customer in the German Democratic Republic but we are still hopeful that some tonnage may be sold before the end of 1977.

The Directors regret they are unable to recommend the payment of a dividend for 1976.

NEWS ANALYSIS PROPOSED PRICE CONTROLS

An attack of nerves

BY ELJNOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE GOVERNMENT'S new plan for controlling prices by a system of special investigations backed by law has forced industry to change its thinking in recent months.

Six months ago, companies were annoyed about the inflexibility of existing controls. Today they are nervous about the very flexibility of the proposals.

It is because of this uncertainty that industry attaches so much importance to safeguards which will be incorporated in the new controls. They will provide the only figures in the new framework and will spell out what the Government regards as the minimum level of profit below which no company will be forced to operate as a result of the new system of special investigations.

It is these investigations, which will be carried out by a revamped Price Commission and in the case of inquiries into individual companies, which will form the basis of the new controls.

Existing controls on profit margins, to be continued for another year, are seen only as a back-up mechanism — albeit a thoroughly unfair and unnecessary back-up mechanism, in the opinion of industry.

New criteria

The Price Commission will examine proposed price increases against a new set of criteria, such as the need to recover costs and to make enough money to finance the running of the business.

It will then make recommendations about prices which the Secretary will have the power to implement within certain defined limits.

In the opinion of Mr. Roy Hattersley, the Prices Secretary, industry has exaggerated the potential of the new controls to harm industry and the likelihood of any Government-appointed commission wanting to reduce the general level of profits.

He has pointed out that the commission will examine only a tiny minority of proposed price increases and that both his own powers and those of the commission are circumscribed under the Bill going through Parliament.

These assurances have not been enough to comfort industry. Nor is the Confederation of British Industry likely to be satisfied with this explanation over why the proposed safeguards against erosion of profits by the commission's recom-

mendations are pitched so low. Mr. Hattersley sees these safeguards as the floor—and not as the ceiling—on the price and profit levels which may be secured by companies selected for investigation. They should not be seen as providing any indication on what the "acceptable" level of profit will be under the new controls. That will vary from company to company.

In preparing these safeguards—which will be published in the form of a consultative document within the next two weeks and which will be discussed with the confederation next week—the Prices Department started from the premise that just because a company has made a certain profit in the past does not automatically mean that that level of profit is sacred.

Base date

For this reason, the new safeguards are likely to have a much more recent, and therefore restrictive, base date and the present safeguards which relate to a company's profit performance in 1975.

Current thinking seems to be that the Price Commission will not be able to recommend any action which would mean that the margin over total costs on a product would be reduced to less than half that obtained at the date of the last price increase before May 31, 1977.

The 50 per cent figure is likely to horrify the confederation; it is far less than the present, roughly equivalent protection under the Price Code. But Mr. Hattersley would argue that the framework in which they will operate will be more favourable to industry than the old rules.

The Government is believed to be considering including a rather more generous safeguard against profit erosion during a commission investigation. This would entitle companies to an interim price increase which could not be reversed—if the margin on the product in question fell to below 80 per cent of the level obtained during the base period.

In addition, during the three-month investigation period, the commission would have to take account of the impact of any price restraint order on the enterprise as a whole.

Thus, companies would be entitled to a higher level of safeguard on the relevant product if the enterprise's last reported profit margin was running at less than 3 per cent, on turn-

over. In this situation, the safeguard would be 100 per cent of the base margin—again calculated on the basis of the level obtained at the time of the last price increase before May 1977.

Alongside these safeguards would be another form of protection relating to the actual margin over total costs. Here, the thinking seems to be that during and after investigations the minimum margin over total costs for any product should be 3 per cent.

This compares with 2½ per cent in the present code, but the costs would be calculated differently and not take into account adjustments for expanded output and fuel cost savings.

Depreciation would be provided for as in the present code, but the confederation no doubt will argue that 3 per cent would be a miserable margin for most manufacturers.

Distributors will not be subject to restrictions on their margins during investigations, so the safeguards will apply only to orders coming after such inquiries.

Net profit

Two parallel safeguards are under consideration. First, the minimum net profit below which restrictions could not be imposed would be 2 per cent, on turnover, as in the present code.

Secondly, the commission would not be able to recommend an action which would reduce the company's net profit margin to below 80 per cent of the level obtained in the last year reported to the Price Commission ending before June 1, 1977.

Jubilee good for crime

Thieves could be in for a Jubilee bonanza as the celebrations get into full swing. Scotland Yard said yesterday that many streets are effectively closed to traffic for street parties. London expects 8,000, they may become havens for pickpockets and pilferers.

One of London's main east-west routes, Cheapside, will be closed to traffic from next Monday at 3 p.m. to prepare for the Queen's "walkabout." Dozens of side streets will also be closed until the celebrations end the following day.

MP wants inquiry into rising tea prices

AN MP accused tea companies yesterday of exploiting the coffee shortage by putting up their own prices "sky high and beyond all reason."

Mr. Gwilym Roberts (Lab., Cannock) is to ask Mr. Roy Hattersley, Secretary for Prices and Consumer Protection, to order the Price Commission to investigate the price of tea.

"If as I expect, the Commission decides that tea is overpriced and that blatant exploitation is going on, then the Minister should assume powers to order a price reduction," he said.

"Initially, tea started to rise in price to improve the appalling pay and conditions of plantation workers in Sri Lanka. No one would argue about that."

"This year, something much more insidious is happening—the price has gone up 35 per cent, and the only simple reason for that is the world shortage of coffee. The tea distributors are cashing in on that shortage."

He said that the price of a cup of tea in many cafes had doubled in recent weeks. "In the House of Commons, a cuppa costs 5p instead of 5p just recently."

"For old age pensioners, a cup of tea is their staff of life. Soon, even that will be beyond their reach."

NEDC examines £5bn. investment in manufacture

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A DETAILED inquiry into the real prospects for increased industrial investment in manufacturing industry will take place at the monthly meeting of the National Economic Development Council on Wednesday.

The meeting takes place against a background of firm confidence among Government departments, the CBI and industrialists that investment is increasing. The CBI will tell the NEDC that more than £5bn. has been committed by manufacturing companies this year.

On the other hand, confidence has been knocked by the report produced by the Department of Industry last week which showed that capital spending by manufacturers in the first three months dropped 3 per cent, below levels for the final quarter of last year, to an estimated £410m.

Because of this special attention will be paid on Wednesday to a document to be presented to the NEDC (and published at the same time) by the Department of Industry on the investment intentions of the manufacturing, distributive and service industries through to the end of next year.

The document is expected to back up the views of the CBI and Government departments and prospects are high that last week's survey of erratically unrepresentative what is now happening and continue to happen for the next 18 to 20 months.

Union leaders, however, expected to use the situation to rail again on the CBI to get that industrialists are involved, and they will also demand more information about investment patterns at home and abroad of U.K.-based multinational companies.

The CBI's confidence reported in a paper presented to last month's NEDC but held over for discussion this week.

The £5bn. figure is presented in the course of a defence of the level of investment from months by manufacturing companies, which are said to be "remarkably high" considering the level of profitability demand and some Government policies.

The CBI will warn the leaders that Britain's recent getting additional output from given amount of investment is being unfavourably with that of other countries.

American Express Company

Shares of American Express Company are now traded on the New York Stock Exchange under the symbol AXP. Quotations appear in NYSE-Composite Transaction tables in newspapers under the designation AmExp.



American Express Company, American Express Plaza, New York, New York 10004

Lead Industries Group

Metals, titanium pigments, paints, ceramic supplies and other chemicals in the UK and Europe, Australasia, South Africa, India and Canada.



Salient figures from the accounts (for each ordinary share of 50p)

	1975	1976
Group net assets	175.43p	205.84p
Earnings after tax	17.74p	25.43p
Net dividend	5.09p	5.59p
Capital expenditure including associates	29.55p	32.48p

Extracts from the annual statement to shareholders by the chairman, Ian Butler.

1976 operations and financial results

By comparison with 1975, the trends varied between industries and countries; higher profits were achieved, particularly from ceramic supplies, some of the overseas paint operations and from a recovery at the diecasting company. Exports from UK subsidiaries increased from £17.8m to £24.8m.

For the associated companies Tioxide operated at much more profitable levels than in 1975, although the second half of 1976 was reduced by the initial operating cost of bringing the new Spanish plant into production. The other associated companies, particularly those in Australasia, all attained better profits than in 1975.

A summary of the Group profit before tax is set out below.

	1975	1976
Group trading profit excluding associates	£9.6m	£11.7m
Share of profits of associates	£5.3m	£10.6m
Less interest payable by LIG and subsidiaries	£14.9m	£22.3m
Profit before tax	£13.7m	£20.5m
The net profit after tax and minority interests was:	£5.5m	£9.3m

Working capital requirements have inevitably increased, with the higher prices of raw materials, but the Group's short term borrowing remains well within the facilities available. It is important to maintain and improve production facilities and during the year capital expenditure of £7.8 million was incurred, the majority of this being in the UK.

The Group and its employees

During 1976 we suffered the loss of Mr. Stanley Davies, the chairman, who died suddenly in October, and Mr. David White, a managing director, who died in August. We have

lost two close friends and extend our sympathy to their widows and their families.

In November, your board appointed me as chairman and I am grateful for the strong support and help that has been given by all the management in the changes brought about by these unexpected deaths.

It is difficult to find new words to express appreciation of the contribution that is made by all those who work in the Group. Many have suffered a fall in their living standards and in the differentials for skills and responsibilities, but have continued to work hard in spite of the fact that pay was restricted by the code, by higher taxation on promotion, and by increases in the cost of living. To all those I wish to convey thanks, not only of the directors, but also, I feel sure, of the shareholders, the customers and the suppliers all of whom, with these employees, have some dependence on the continued success of the Group.

We believe that operating a system of decentralised management allows better communication between all employees with, at the same time, the subsidiary companies having direct links with directors on the main board. As the management is made up of individuals, almost all of whom have progressed up through these companies, no standard approach to employee involvement is appropriate, but it is recognised by all that people want to know more today about their company's progress, its problems and its future. In LIG, as in many other companies, the executive directors are appointed because of their particular knowledge and experience of LIG operations. Adoption of the system advocated by the Bullock majority report would mean that the body responsible for the direction of your Group would no longer have within it the current spread of specialist experience. Such a system would in due course similarly affect all the underlying companies, and would significantly reduce the promotion incentives of many managers.

1977

Although some areas in which the Group is involved have not had a particularly buoyant first quarter, there has been some overall increase in the UK and in many of the overseas operations, and orders continue at an encouraging level.

Issue of shares to Imetal

At an Extraordinary General Meeting of the company held on 19th May it was agreed to issue to Imetal 4,801,223 new ordinary shares at a price of 180p per share. Imetal has declared that it has no intention of increasing its holding beyond the 25% reached by this issue.

The proceeds of £8.64m are being held in foreign currency for use outside the UK to consolidate and develop overseas

markets and activities. LIG expects to continue its high level of investment in the UK and the issue will help in financing this by freeing resources which might otherwise be required for overseas investment.

As an integral part of the issue it is intended to pay a net ordinary dividend for 1977 of 7.37p.

Lead Industries Group Ltd, 14 Gresham Street, London EC2V 7AT

Principal UK Subsidiaries: Associated Lead • Fry's Metals • Anzon • Hanson Mayer • Goodwins Wall • Fry's Diecastings • Home and Overseas Wallpaper Associates: Tioxide Group • Dulux Australia • Dulux New Zealand • Valentini Varnish & Lacquer

UNION MINIERES S.A.

1976 FINANCIAL YEAR

70th Annual General Meeting of Shareholders 26th May, 1977

Extracts from the Directors' Report and from the Chairman's statement by M. Paul-Emile CORBAU

KEY FACTS

- Continuation of the Jersey Minière Zinc joint venture's investment programme in the United States.
- Thierry mine and concentrator brought into production in Canada.
- Ocean Mining Associates fits out a test mining ship to perfect the technique of recovery of nodules on the high seas.
- Joint venture with Continental Materials Corporation for the mining of the Oracle Ridge copper deposit in Arizona.
- Final settlement by the Republic of Zaïre of the balance of the compensation (4,000 million BF) fixed by the 1974 Munich agreement.
- Increase in profits and dividend.

KEY FIGURES

- Profits for the financial year: decreased to 819,783,401 BF (against 981,463,218 BF in 1975).
- Moderate decrease of the dividend: net: 600 BF per whole share (90 BF per 1/10th of a share) (against 700 BF and 70 BF respectively in 1975) (total, including withholding tax: 754,287,500 BF).
- Maintained value of the Union Minière equity at December 31, 1976: in addition to the heretofore owners' equity (21,080 million BF), the increase in value on quoted shares (318 million BF) and on stocks of metals (400 million BF), the cash value of the Union Minière 1/10th of a share quotation (which thus would indicate a market capitalisation less than 10,000 million BF, an amount sharply lower than the 13,153 million BF of the company's current assets alone).
- Sharp drop in revenues from investments: 258 million BF (against 565 million BF in 1975) and reduction of interests from short-term investments—17%.
- Important increase of portfolio.
- Investments: +2,810,581,889 BF (an increase that beside an increased book-value of 402 million BF reflects the new investments made by our holding subsidiaries and represents the trend towards a regular transfer of liquid assets to the investment portfolio).
- Short-term investments: net increase of 65,446,332 BF, after an increased book-value of 230 million BF.
- Depreciation in value of foreign currencies: 297 million BF (reduced to 37 million BF by the application of a reserve constituted for this purpose in 1975).
- Increase of amortisation of prospecting and exploration expenditures: 525 million BF (against 306 million BF in 1975).
- Marked recovery in the operating results: difference of more than 400 million BF thanks to metals sales.
- Amortisation of the loss made by the Thierry mine.

ACTIVITIES FOR THE FIRST MONTH OF 1977

- USA:
 - Arizona: A new subsidiary, Union Copper, will be formed shortly by Union Mines to implement the joint venture with Continental Materials Corporation and to work the copper deposit of Oracle Ridge in Arizona—an ore body of modest size, but of which the characteristics are favourable. The realisation of this project will be Union Mines' first undertaking in the state of Arizona which is noted for the importance of its potential copper reserves.
 - Deep sea nodules: An agreement has just been concluded in this matter with the American Corporation, Sun Company, which thus becomes the third partner in the association "Ocean Mining Associates" working in the field of exploitation of deep sea nodules. This important petroleum company is experienced in off-shore methods. It will play an active role in the tests for continuous recovery of the nodules. These tests are now underway in the Pacific Ocean and they will continue throughout the whole of the year. If, as we hope, these tests yield conclusive results, the time for the construction of a hydrometallurgical pilot-plant will have arrived. The goal of this plant will be the perfection on the semi-industrial scale of the nodule treatment method developed in Société Métallurgie Hoboken-Overpeik laboratories.

—Canada

Thierry mine: Results, in the current conditions, cannot be other than highly unprofitable. The total amount of the investment has increased to some 110 million Canadian dollars due to the particularly large increase in initial expenses, along with the drastic reinforcement of the regulations of the Canadian government with regard to the protection of the environment. Furthermore, the project had also to bear an increase in the operating costs of the mine at the same time as an increase in smelting and refining charges—both linked to rising wage costs. The decision has been taken to temporarily limit the milling rate of the Thierry concentrator to 50% of its nominal capacity in order to try in this manner to at least balance the operating budget. This reduced milling rate will in addition allow the underground mining method to be perfected in detail before it has to be applied throughout the whole mine. It will also be possible in this manner to spread out the purchases of mining equipment and, in particular, to save the currently proved ore reserves for better days.

—Mexico

Vetardéa deposit: The main source of interest in Mexico is constituted by the project to develop this zinc deposit which appears to present favourable prospects. There remain certain administrative and financial problems to be settled. First of all, according to the country's laws it is necessary that the capital of the mining companies be at least 51% held by nationals. While this condition is fulfilled as far as Astunex's current capital is concerned, it must also remain fulfilled when the capital is increased to the level required by the foreseen investment. Talks with potential subscribers of the increased capital necessary for this end are already well advanced. According to the scheme now being implemented 20% of the capital would be held by a Mexican semi-state organisation, 16% by a private Mexican bank and private subscribers assembled under its aegis, and finally 18% by an international institution of public interest which would be considered as a Mexican shareholder. In order that the operation may be assured of an adequate profitability, it is necessary that it benefits from a suitable fiscal regime. Hope are high that the steps that Astunex have taken will enable them to overcome these various problems within a reasonable space of time.

—Brazil

Normal progress has been made with the study relative to the Cia Paraibuna de Metais zinc plant. The same is the case for the design of the copper metallurgical installations planned in the State of Bahia.

PAYMENT OF THE DIVIDEND AND REPLACEMENT OF COMPANY QUOTA TENTHS, TYPE 1973

The last coupon, No. 40, of this type of tenth-part share is to be detached from the certificate this year to obtain payment of the dividend for the 1976 financial year, if or after June 6, 1977. These old certificates will be replaced without sequence in numbering and without limitation of duration by new tenth-part shares, type 1977, coupons 41st of the dividend for bearer shares, also named for payment of the dividend for bearer shares. On the occasion of this exchange and in order to meet frequently expressed wish of shareholders and stockholders special measures have been taken to allow shareholders who so desire, to obtain, without charge and until the end of 1977, one whole share, type 1963, with coupons 4th attached, in return for ten certificates of tenth-part share type 1955.

Banks:

- In Belgium: Société Générale de Banque, rue Montagne du Parc 31/32 Brussels, as well as its other branches agencies, sub-offices, la Belgique, Cantersteen 1, 1000 Brussels.
- In the Grand Duchy of Luxembourg: Banque Générale du Luxembourg, rue Aldringen 1 Luxembourg.
- In France: Banque Belge (France) rue Volney 12, 75002 Paris La Société Générale, boulevard Haussmann 23, 75009 Paris.
- In the Netherlands: Amsterdam-Rotterdam Bank, Herengracht 365, 1017 Amsterdam.

Price increases near keeps confidence low

STUART ALEXANDER

FEAR of rising prices is a marked regional variations with existing high unemployment far more common than, for instance, the south-east.

This month 18 per cent more of the sample thought unemployment would increase rather than decrease, but since January, 1975, those who thought that unemployment would increase have far outweighed those who thought it would decrease and the trend in the latest survey is downwards.

This applies also to those pessimists who think that the trend is to get worse. From an overall average of 28 per cent in January the figure has dropped steadily to 22 per cent in the latest survey and the spread among those questioned has narrowed from 21 percentage points in the survey last month to just seven this month.

Mainly social

This move away from polarisation is seen in other areas and this could be because of the main reasons for pessimism becoming social rather than political, with again the clear influence of food prices on fear of unemployment rising steadily, although there are

Co-ops may be asked to vote on merger

By Elinor Goodman in Blackpool

CO-OPERATIVE retail societies may be asked to vote in a referendum on whether the two central organising bodies—the Co-operative Union and the Co-operative Wholesale Society—should be merged into a single national federation.

A referendum would be virtually unprecedented in the history of the Co-operative movement.

The issue of a radical restructuring of the Co-op is seen as being too important to be bogged down—and possibly lost—at the annual congress which starts here tomorrow.

A referendum would mean that the decision would be taken by elected directors of all 215 retail societies rather than by the delegates who before coming here, may have been mandated to vote in a particular way.

A special committee set up by the congress two years ago published an interim report in March recommending that the Co-operative Union—which traditionally operates as the main link with the consumer-owned retail societies—should be merged on equal terms with the central commercial organisation, the CWS.

A final report is to be published next year, but it is felt that some declaration of intent might be made now, if confidence in the two organisations is to be maintained.

F.T. GROCERY INDEX

Bacon and eggs steady but breakfast costs more

BY STUART ALEXANDER

MAY has seen a further steady increase in the cost of family shopping. The Financial Times Grocery Prices Index has risen 1.7 per cent, making a rise of 7.56 per cent for the first five months of 1977 and 16.1 per cent compared with May 1976.

The main increases have come in bread, cereals and tea. But for them, the traditional breakfast with bacon and eggs would have at least remained steady in price and in some cases would have been cheaper. Eggs cost less and there were still some special offers of bacon.

The soaring cost of tea, widely predicted as the high cost of coffee forced coffee drinkers to look for substitutes, meant that the price per quarter rose in some cases to 36p, and for 72 teabags rose by 16p.

With milk and preserves also up, the British breakfast is costing a lot more, though there has been some relief in the price of butter, enough to reduce the overall cost of the dairy sector.

The other sector which was significantly down was meat. It saw a fall of 1.8 per cent compared with April, though there are regional variations. In nearly all categories of bacon, beef, pork and lamb downward movements outweighed increases. Chicken was generally cheaper, as were sausages, where some special offers were available.

Lettuces, carrots, apples and

FINANCIAL TIMES SHOPPING BASKET

	April	£
Dairy Produce	134.63	134.89
Sugar, Tea, Coffee, Soft Drinks	77.72	72.41
Bread, Flour, Cereals	83.70	80.20
Preserves and Dry Groceries	28.05	27.37
Sauces and Pickles	14.93	13.93
Canned goods	47.93	47.10
Frozen foods	46.45	46.62
Meat, Bacon, etc. (fresh)	148.41	171.83
Fruit and Vegetables	129.84	123.27
Non-Foods	54.14	53.63
Total	778.30	768.25

INDEX:

1971: Feb. 100; Mar. 101.09; April 102.73; May 105.75; June 108.00; July 107.24; Aug. 105.46; Sept. 105.26; Oct. 104.35; Nov. 105.48; Dec. 108.26.

1972: Jan. 109.16; Feb. 109.10; Mar. 109.24; April 108.84; May 109.34; June 115.97; July 111.97; Aug. 113.49; Sept. 112.14; Oct. 113.15; Nov. 11: 114.8; Nov. 11: 114.49; Nov. 25: 114.72; Dec. 2: 114.72; Dec. 9: 114.75; Dec. 16: 115.77.

1973: Jan. 117.54; Feb. 119.25; Mar. 120.53; April 123.80; May 125.57; June 128.51; July 127.64; Aug. 126.59; Sept. 129.39; Oct. 133.83; Nov. 135.83; Dec. 138.26.

1974: Jan. 141.41; Feb. 141.52; Mar. 142.64; April 143.23; April 29: 142.44; May 145.17; June 147.97; July 146.22; Aug. 145.25; Sept. 147.6; Oct. 150.5; Nov. 156.39; Dec. 159.15.

1975: Jan. 162.84; Feb. 167.77; Mar. 173.50; April 178.49; May 183.41; June 193.02; July 188.45; Aug. 189.23; Sept. 186.64; Oct. 189.79; Nov. 194.78; Dec. 201.90.

1976: Jan. 208.33; Feb. 211.81; Mar. 216.68; April 222.43; May 226.78; June 222.82; July 216.71; Aug. 221.34; Sept. 230.34; Oct. 237.28; Nov. 241.53; Dec. 244.82.

1977: Jan. 251.03; Feb. 253.96; March 256.27; April 258.92; May 263.34.

WALTER RUNCIMAN & CO. LTD.

Shipping—Insurance—Security

The Chairman, Mr. W. G. Runciman, reports on 1976:

The results for the year, which incorporate a changed accounting treatment of foreign currencies, must be regarded as satisfactory in the face of the continuing recession in world trade.

The dividend proposed has again been increased to the maximum which current legislation permits.

In the absence of unforeseen circumstances pre-tax profits for 1977 are expected to be no less than those for 1976.

Summary of Figures

	1976	1975
Profit before Taxation	£2,497,767	£2,758,813
Profit after Taxation	£976,844*	£1,297,692
Earnings per Share	15.3p	20.3p
Dividend per Share	7.42p	6.75p

*after increased provision of £276,000 for deferred tax

Two hemispheres

On the international trail this month, The Banker visits Chicago, financial centre of the bustling Mid-west and vantage point for economists feeling America's pulse, and two European centres, Frankfurt and Luxembourg. Deputy editor Carol Parker looks at what makes Luxembourg so attractive for international bankers, and elicits the do's and don'ts of banking there in an interview with Banking Control Commissioner Pierre Jaans. From further afield, The Banker's editor Robin Pringle reports from Tokyo on Euro-yen, the protection problem, and the many issues heading a crowded agenda in Japan to-day.

The Banking Year

The Banker's annual round-up of profits and prospects in the world's major banking sectors. Banks and banking activities outside the big league of international lenders get an airing this time round with articles on the ambitions of savings and co-operative banks.

Muck and money

The companies getting their hands dirty in the arduous work of pumping oil from the North Sea are going to be bankers to the next generation of oil fields developed. A special report features new forms of oil finance, the bankers and oil men behind them, and the doings of BNOG, Britain's official entrepreneur in the North Sea.

THE BANKER

Can be ordered through bookstalls price £1.00 or direct from Bracken House, Cannon Street, EC4A 3DF Price £1.30. UK subscription rate £14.00.

MAY ISSUE ON SALE NOW

Callaghan demands push fund report

PERT CORNWELL, LOBBY STAFF

Express demand of the Minister, the forthcoming of the Royal Commission Press will include a section specifically on the Leyland stuf fund affair.

Leased is the upshot of the meeting at Downing Street between Mr. James Callaghan and Professor Oliver Franks, the chairman of the commission held further on Friday and the press written to the Prime Minister making it clear that the deal fully with the aid of the Daily Mail's Leyland story.

Prime Minister gave full the Commons last week in the Commons last week at the newspaper, and section of a forged letter to the politicians. Like other politicians, he is only sensitive about what is unjustifiable bias the party by wide section of Fleet Street—a feeling of Prime Minister, and propose that a formal good conductor should be issued as guidelines for the media's behaviour.

Amendments

The Co-op's central executive has put down a proposal to be debated on Tuesday which calls on delegates to accept the broad concept of a single national federation set out in the interim report and asks that final detailed proposals be submitted to congress next year.

Two amendments have been put down which would seriously water down this proposal and which indicate some of the problems any such merger would probably encounter.

The debate is likely to demonstrate that the amalgamation would inevitably lead to a bigger and more commercially-oriented CWS.

If the amendments are defeated, the central executive will ask delegates to approve the idea of a referendum, which is allowed in the Co-op's constitution for matters of major importance. Approval of the idea of a referendum would mean that the central executive proposals to accept the broad concept of a single federation would then be voted on by directors of all retail societies.

The CWS, which is also democratically elected, will probably not vote, even though it is entitled to, as it is not felt it can participate in a vote which in effect would mean the end of its existence.

Mr. G. H. Hough joins Board of Sheepbridge Engineering

Mr. G. H. Hough, deputy chief of the dynamics group at Hawker Siddeley, has been appointed managing director of SHEEPBRIDGE ENGINEERING.

Mr. F. G. N. Thomas has been appointed finance director of WATNEY MANN AND TRUMAN BREWERS following the retirement of Mr. R. L. Battison.

Mr. Peter Greider, marketing director of the SMITHS FOOD GROUP, has been made general manager of a newly created Smiths Operations Division with responsibility for production, purchasing, research, technical and quality operations. Reporting to him will be Mr. Gaston Alzary, who is now technical director of the Smiths Food Group Board, Mr. David Walters, newly appointed production director in control of seven factories in the division, and Mr. Ted Rompola, who becomes new product research and development director.

POINTMENTS

Mr. Keith Chesson, previously division marketing manager, has joined the Board as marketing director. On July 1 Mr. Jim Collins moves to Smiths as group controller and finance director from General Mills in the U.S. Chairman and managing director of the Smiths Food Group is Mr. Jack Liqueurish.

Mr. C. H. Ellerton and Mr. J. Johnston have been appointed to the Board of WADE POTTERIES. Mr. Johnston joins the group Board as successor to Mr. J. M. E. McBratney, who will be retiring shortly as group financial director.

Mr. W. J. Walsh has been appointed to the Board of WELLS-WORTHY, a member of the Associated Engineering Group, as director of manufacturing. He joins the company from Raleigh Industries, where he was European manufacturing director.

Pork Farms Limited

Year of continued growth: 81% increase in earnings.

As from the Review of Mr. D. C. Samworth, and the Report and Accounts for the 26th February 1977.

Before tax for the 52 weeks ended February 1977, improved by 81% to a figure of £1.95m. Sales amounted to a 25% increase and a record, not only in volume.

There has been one of continued growth in other steps being taken to increase our output and distribution capacity. With our factories have been running at levels and together with certain rationalisation this has contributed to a 21% increase in turnover.

IG CASH FLOW

The year a further £745,000 was repaid of Long Term Loans: In addition five Creditors were reduced by £288,000 over £1m was invested in Fixed Assets. This considerable outflow of funds has been offset by the year end had been

reduced by £340,000 emphasising once again the strong cash flow inherent in our business.

PROPERTY REVALUATION AND DEFERRED TAXATION

Amputation of our freehold and long leasehold properties at the year end revealed a surplus of £1.08m. At the same time because of anticipated growth and capital investment we decided not to provide for deferred taxation and the previous year's provisions have been transferred to Shareholders' funds.

GOOD START TO CURRENT YEAR

We are now beginning to reap the benefits of the large capital expenditure programme of the last three years during which we have spent approximately £3m on new production and distribution facilities. Combined with an energetic marketing policy this is producing impressive volume increases in all our product groups and earnings for the current year are expected to be substantially higher than in 1976/77 and results to date are well up to these expectations.

	1977	1976
Turnover	£ 27,250,082	£ 21,728,281
Trading Profit	2,184,999	1,350,352
Profit before taxation	1,963,853	1,076,842
Dividends (including tax credit)	128.6%	

GRINDLAY BRANDTS

is proud to announce completion of the

1st

unsyndicated E.C.G.D. guaranteed dollar buyer credit facility.

Loan Value

\$13,500,000

to the Korea-Iran Petroleum Company, Seoul, Republic of Korea.

From the announcement of the government directive on export credit guarantees at the end of 1976, Grindlay Brandts set its specialist export finance team to work analysing the new situation and exploring all the alternatives. Their job was to find the best possible finance support package for British exporters.

It is a tribute to the team's technical ability and knowledge in dollar-financing that they completed the first unsyndicated dollar buyer credit package with E.C.G.D. guarantee.

Advantages of the Grindlay Brandts straightforward facility are:-

- Speed of completion and easy payment to British manufacturer with no minimum drawdowns. Where we provide unsyndicated loans, the decision making process tends to be speeded up which can be a vital factor in winning contracts.

- Elimination of Exchange risks which manufacturers may not wish to take. Our package can include a sterling sales contract which guarantees full payment to exporters, or be in dollars at the customer's option.

GRINDLAY BRANDTS offers its long standing expertise and knowledge in this specialist area to:

- British industrialists contracting overseas.
- Buyers and borrowers abroad.

For more information, write or call today to:

Peter Heroys
Grindlay Brandts Limited,
25 Fenchurch Street, London EC3P 3ED.
Telephone: 01-626 0545

Financing Future
British Exports... TODAY

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Great people to build with
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Also at Birmingham,
Bristol, Glasgow, Manchester, London

FT SHARE INFORMATION SERVICE

CANADIANS						BUILDING INDUSTRY—Continued						DRAPIERY AND STORES—Continued						ENGINEERING—Continued							
Dividends Paid	Stock	Price	Low	High	Vol	Dividends Paid	Stock	Price	Low	High	Vol	Dividends Paid	Stock	Price	Low	High	Vol	Dividends Paid	Stock	Price	Low	High	Vol		
M.A.S. D.	Montreal St.	114	114	115	114	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	
F.M. J.S.	St. John's St.	114	114	115	114	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	
F.M. J.S.	St. John's St.	114	114	115	114	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov

ELECTRICAL AND RADIO						CHEMICALS, PLASTICS						ENGINEERING, MACHINE TOOLS						FOOD, GROCERIES, ETC.						
Dividends Paid	Stock	Price	Low	High	Vol	Dividends Paid	Stock	Price	Low	High	Vol	Dividends Paid	Stock	Price	Low	High	Vol	Dividends Paid	Stock	Price	Low	High	Vol	
J. J. S.	London	114	114	115	114	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov
J. J. S.	London	114	114	115	114	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov	Nov

Jyx 1.15

Conversion factor 0.6927 (7.0758)

JPY 150

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, dividends, and other financial metrics.

MOTORS, AIRCRAFT TRADES

Table listing companies in the motors and aircraft trades, such as British Leyland, Ford, and various aircraft manufacturers.

PROPERTY - Continued

Table of property-related stocks and companies, including various real estate and construction firms.

TRUSTS - Continued

Table of trust stocks, listing various investment trusts and their performance metrics.

TRUSTS - Continued

Table of trust stocks, continuing the list from the previous section.

SANWA BANK Tokyo, Japan. Serving the world with financial expertise.

MINES - Continued. Table listing various mining companies and their stock prices.

AUSTRALIAN. Table listing Australian mining and resource companies.

TINS. Table listing tin mining and related companies.

OVERSEAS TRADERS. Table listing international trading companies.

COPPER. Table listing copper mining and related companies.

MISCELLANEOUS. Table listing various other companies and their stock prices.

NOTES. Text providing information about company notes, dividends, and other financial announcements.

TEAS. Table listing tea companies and their stock prices.

INDIA AND BANGLADESH. Table listing companies from India and Bangladesh.

MINES - CENTRAL RAND. Table listing mining companies in the Central Rand region.

MINES - EASTERN RAND. Table listing mining companies in the Eastern Rand region.

MINES - FAR WEST RAND. Table listing mining companies in the Far West Rand region.

O.F.S. Table listing Overseas Financial Services companies.

FINANCE. Table listing various financial institutions and their stock prices.

INSURANCE

Table listing insurance companies and their stock prices.

PROPERTY

Table listing property-related companies and their stock prices.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land-related companies.

DIAMOND AND PLATINUM

Table listing diamond and platinum mining companies.

REGIONAL MARKETS

Table listing regional market data and stock prices.

OPTIONS

Table listing options contracts and their prices.

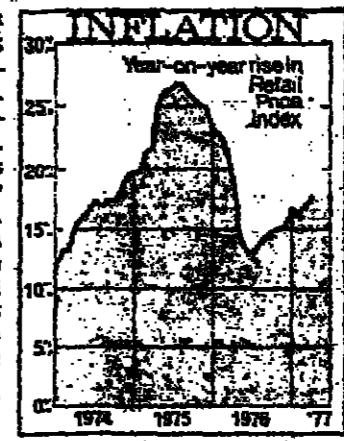
THE MOST EFFICIENT AND WIDELY USED... HIAB LORRY LOADER... GEORGE COHEN MACHINERY LTD

There's more than a spring in the air... RILEY... Robert Riley Ltd

THE LEX COLUMN

Come in ED18—time is up

To-morrow the six-month public debating period expires for the controversial draft inflation accounting standard ED18.



One cannot afford to get an out of touch with the roots of the problem especially as it still has its face over deferred tax.

Midland 'Reds' Industrial accountants, in particular, are calling for a much slower programme.

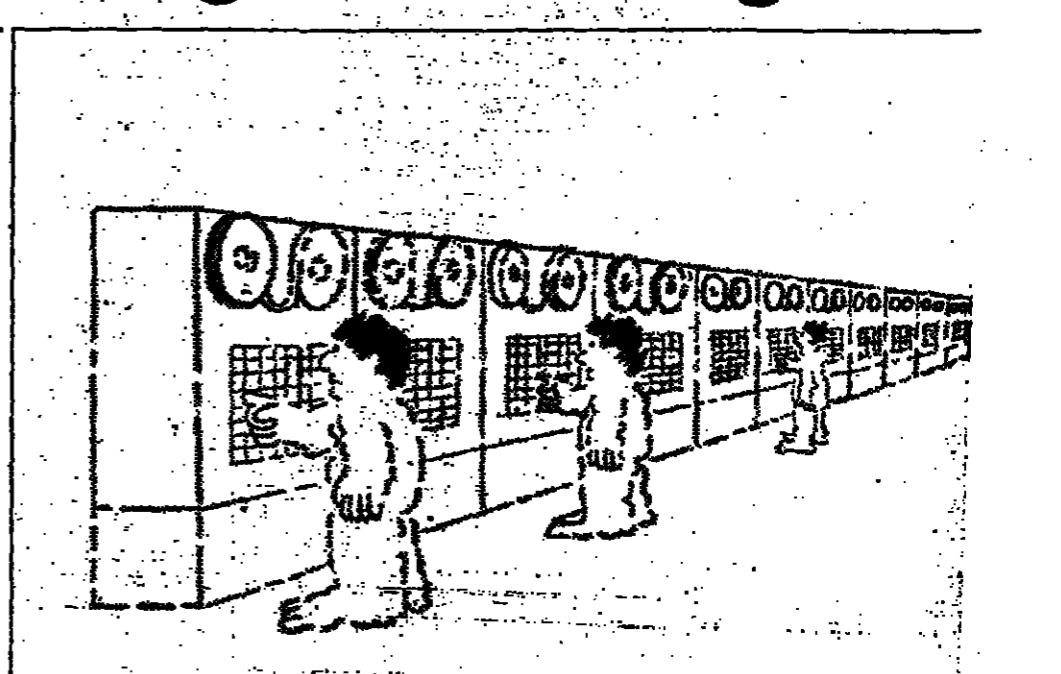
than some theorists suggest they ought to be. For this reason, the banks have had to fight a battle very much on their own.

Far advanced Sir James stepped into the Beaverbrook situation last month.

The English Institute is continuing to call in its submission to the Morpeth Group for the impact of inflation on monetary items to be recognised.

Careful pacing Attention will presumably be given, too, to the neutral gearing assumption or Ford Motor—such concerns staged.

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Goldsmith revises Standard proposals

BY MARGARET REID

SIR JAMES GOLDSMITH has now put forward revised proposals, on behalf of Sir James Goldsmith and Lord Leconfield.

The Goldsmith scheme, which does not involve a bid for Beaverbrook but would be likely to result in Sir James and Lord Leconfield's chief executive, Mr. Roy Rowland, emerging with a dominant influence in the group.

Mr. Rowland, emerging with a dominant influence in the group, was put to Beaverbrook's City advisers, M. Rothschild and Sons, on Friday.

These proposals are likely to be criticised as not offering shareholders a better position or a transfer of effective control to Beaverbrook.

Union applause Sir James is likely to fight for them, knowing that his arrival on the scene was greeted with considerable union applause.

Nyerere not likely at London talks

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

SOUTHERN Africa will be one of the two major topics at next week's Commonwealth summit meeting in London.

The most notable absence is likely to be that of President Julius Nyerere of Tanzania who has attended regularly Commonwealth meetings since his country became independent 15 years ago.

Leaders of other key countries—notably Nigeria, Kenya, Ghana and probably Sierra Leone—are likely to be absent.

It is thought that the only other absentee leaders from non-African Commonwealth states will be Mr. Forbes Burnham of Guyana, who has been ill, and Mr. Eric Williams of Trinidad.

In spite of the importance of Africa at next week's summit, African sources insist that the absence list—perhaps the largest—has no political overtones.

President Nyerere will be especially missed because he is a key figure in the crisis in southern Africa and also because his contribution in the essentially informal Commonwealth summit debates have come to be valued greatly by his colleagues.

Apparently, Dr. Nyerere decided not to attend this year's summit some months ago in line with the general decision to devote more time to Tanzania's internal affairs.

Retire rumour Dr. Nyerere's main pre-occupation in the past year has been with the merger between TANU, the political party of mainland Tanzania, and the Afro-Shirazi party of Zanzibar.

President Nyerere, who, it is said, intends within a few years to retire to a less active position within Tanzania, is believed anxious to give his new vice-president, Aboud Karume, more experience in international affairs and it is he who will be leading the Tanzanian delegation.

As for other absentees, President Kenyatta, now believed to be in his 80s, has not attended a Commonwealth summit since 1969 and General Obasanjo, of Nigeria, rarely travels abroad and will be sending Mr. Joseph Garba, Foreign Minister.

President Stevens of Sierra Leone is believed anxious to consolidate his position after his country's recent election while President Sir Seretse Khama, of Botswana, may not attend because he had a heart attack recently.

President Banda, of Malawi, who has not been to a Commonwealth summit since 1971, is in London and is expected to attend as well as the Presidents of the Gambia and Lesotho and Swaziland's Prime Minister.

In the debates on southern Africa—which Mr. Shridath Ramphal, Commonwealth Secretary-General, says in his report on the Commonwealth, issued today will be one of the two major issues of next week's summit—the African contribution is likely to come from Dr. Kenneth Kaunda, Zambia's President.

The other key issue, according to Mr. Ramphal in his 50-page report will be the "northern dialogue."

Mr. Ramphal says that disharmony in world economic affairs "presents a challenge to the Commonwealth... economic radicalism is the contemporary Commonwealth's birthright."

Editorial Comment Page 12

Special aid for Africa upsets Latin America

BY REGINALD DALE

PARIS, May 29

PREPARATIONS FOR the crucial closing stages of the Paris dialogue between the world's rich and poor nations were in confusion to-night as Ministers from 37 countries arrived for the final three-day session of hard negotiation that starts here to-morrow.

Senior officials who have been meeting here since Thursday morning had still not succeeded in sorting through 150 pages of complicated and mainly disputed texts on issues ranging from the future fixing of oil prices to new codes for the transfer of technology to developing countries and investments by multinational companies.

The one new agreement reached over the weekend involving a "Decade of Africa" to improve transport and communications, served only to underline the problems facing the Ministers. The agreement, which the West hoped would start the talks on a positive note, provoked immediate criticism from Latin American countries who feel that insufficient attention is being paid to their own needs.

It was clear that the increasingly militant approach of the Latin Americans, spurred on by President Carter's human rights and nuclear policies, could become an important new factor in the final moments of the 18-month long conference.

In the last few weeks they have added a number of new elements to the final package they will offer the 19 in the hope of keeping the "dialogue" going once the Paris conference is over.

The West's offer will include a special \$1bn aid programme for the poorest countries, together with an undertaking to negotiate a new common fund to stabilise commodity prices and a study of stabilising developing countries' export earnings.

To-night, however, the Western countries were still \$50m short in their efforts to raise the full \$1bn.

Delegates from the developing countries refused to express either optimism or pessimism as to the conference's final conclusions. Representatives of the industrialised countries warned that the talks could fall even at the last minute.

Package for the poor, Page 21

Engineers win £120m. orders

FINANCIAL TIMES REPORTER

BRITISH civil engineering groups have won contracts worth nearly £120m. for work in the Middle East and Eastern Europe. The deals involve an airport terminal, new hotels and a large marble-faced office development in Saudi Arabia.

Deal two also involves cementation. In another Polish order, a specially built hotel at Gdynia worth £24.8m.

Deal three brings Saudi Tarmac, in which Tarmac International, has a substantial holding, a \$44m order for a concrete office complex on site five kilometers from Riyadh.

The Polish contracts clearly delighted Mr. Victor Matthews, deputy chairman and managing director of Trafalgar House when he entertained guests to a Sandown Park day of Trafalgar Group-sponsored races on Saturday. "This is a major breakthrough for us," he said. It was the first time a British company had been involved in a project on this scale.

Tarmac's order comes from a company formed specifically to develop office buildings and civil engineering work in Saudi Arabia. The Saudi Tarmac company has a paid-up share capital of 10m Riyals, and includes Tarmac International, Al-Ahli Development company and Bin Mallowh Trading Establishment.

It will build a prestige office complex, which will include a 47,580 sq. metre multi-storey headquarters building and other buildings and underground parking for 240 cars. The order came via the U.S. Army Corps of Engineers which is administering the contract on behalf of the Saudi Government.

The complex, designed by a Detroit group, blends marble with Saudi stone, and marble is also to be used with terrazzo for floor finishes in completely air-conditioned buildings. Building News, Page 10

relations with the developing countries.

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Package for the poor, Page 21

Argument over council house sales reopens

A SUGGESTION in Shelter's magazine Roof, that local authorities and central government should both look to the sale of council houses appears likely to lead to another round of arguments on the subject.

Mr. Bernard Kilroy, a London housing research officer, claims that there are substantial losses on house sales. He examined Leeds, where it had been estimated that the sale of 5,000 houses would save the local council £1m.

Far from saving £1m, Leeds would lose at least £2m, if the houses were sold, and had lost about £1.75m. on 900 houses already sold.

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But he has no chance of gaining the support of the CBI for anything, which would fully satisfy the TUC in the private sector and he also has to decide whether to try to placate the Liberals who are opposed to union-based worker-directors.

Without Liberal support for almost every item in an eventual Bill, there is hardly any chance of the Government's being able to push legislation through Parliament before the next General Election.

Bullock

The Prime Minister expects to have talks with the Confederation of British Industry on the matter in a few weeks' time and may decide to see TUC leaders who are far from united on the issue, especially about what should happen in the private sector.

A compromise which may emerge if the Ministers become deadlocked could be legislation enabling early experiments to take place in nationalised industries such as the Post Office, with slower progress being made in the private sector.

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Weather

U.K. TO-DAY COOLER, particularly in S., showers in E. Edinburg, Dundee, Aberdeen. Sunny periods, scattered showers. Wind N., moderate. Max. 17C (63F).

Table with 4 columns: Location, Day, Temperature, and Remarks. Includes cities like Amsterdam, Bahrain, Barcelona, Berlin, Brussels, Cardiff, Copenhagen, Dublin, Edinburgh, Frankfurt, Glasgow, Helsinki, Hong Kong, Lisbon, London, Luxembourg, Madrid, Manchester, Milan, Montreal, Moscow, Munich, New York, Oslo, Paris, Rome, Seoul, Singapore, Stockholm, Sydney, Taipei, Tokyo, Warsaw, Zurich.

Weather

showers. Wind N.E., moderate. Max. 17C (63F), cooler on coast. Edinburg, Dundee, Aberdeen. Sunny periods, scattered showers. Wind N., moderate. Max. 14C (57F).

Table with 4 columns: Location, Day, Temperature, and Remarks. Includes cities like Atlanta, Baltimore, Birmingham, Boston, Chicago, Cincinnati, Dallas, Denver, Detroit, Houston, Indianapolis, Jacksonville, Kansas City, Las Vegas, Little Rock, Louisville, Miami, Milwaukee, Minneapolis, New Orleans, New York, Philadelphia, Phoenix, Portland, San Antonio, San Diego, St. Louis, Tampa, Washington, Wichita.